

Historical view. of Plans

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ERRATA.

Preface, page 6 line 12, for come, read came.

Page. Line.

- 11 15 after both, *dele* the comma
 16 ult. for managment, *read* management
 62 20 after Peninsula, *for* ; *r.* ¹/₂
 67 18 for were scandal, *r.* were a scandal
 73 20 after King, *r.* ;
 75 16 for Parliment, *r.* Parliament
 81 25 for fuscipions, *r.* fuspicions
 110 10 for superintendant, *r.* superintendent
 119 2 for are, *r.* is
 122 24 for the the Company, *r.* the Company.
 134 23 for to the, *r.* were to be the
 172 21 for servatns, *r.* servants
 181 3 for acquired, *r.* required
 184 25 for inventorie, *r.* inventories
 239 20 for advanage, *r.* advantage
 281 10 for privielge, *r.* privilege
 297 In the note at bottom, for £.3,268,297 *r.* £.3,329,136
 for 3,049,670 *r.* 3,185,556
 337 24 for soverignty, *r.* sovereignty
 382 5 for subvervient, *r.* subservient
 Ibid. 12 after more, *dele* ,
 Ibid. 18 for Company's, *r.* Company
 388 8 after Muffulman, *dele* ,
 398 21 for disappove, *r.* disapprove
 401 6 for feperate, *r.* feparate
 418 ult. *dele* for
 432 22 for coporal, *r.* corporal
 440 17 for safety, *r.* safety
 457 9 for at a certain day, *r.* on a certain day
 467 10 for blaim, *r.* blame
 472 15 for inhabitats, *r.* inhabitants
 485 8 for received in the treasuries, *r.* received into the treasuries
 487 9 for alowing, *r.* allowing
 495 3 for soverignty, *r.* sovereign
 514 24 for kown fact, *r.* known fact
 519 20 for linnitted, *r.* limited
 593 12 for estabalishing, *r.* establishing
 605 5 for Alleppo, *r.* Aleppo
 615 24 , , regulation, *r.* regulation
 617 11 for administrtation, *r.* administration
 618 9 for Proprietor, *r.* Proprietor's

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HISTORICAL VIEW

OF PLANS,

FOR THE GOVERNMENT AND TRADE OF

BRITISH INDIA, &c.

INTRODUCTION.

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AS the period has now arrived, when the present plan upon which British India is governed and the trade to the East-Indies regulated, must either be continued or altered, it becomes necessary to lay before the Legislature and the Public, every species of authentic information which seems calculated to assist the nation in deciding upon a subject of such general importance.

INTROD.

Indian affairs
an important
national sub-
ject;

PARLIAMENT having given Notice to the East-India Company (agreeably to the terms of its Charter) that its exclusive rights and privileges expire in March, 1794, a plan, for the future government of our Asiatic dominions and regulation of our trade to the East-Indies, must be devised and carried into effect.

a plan for
the direction
of them re-
quired—

IF formerly our Indian dominions and trade were directed and controuled by regulations only, because we were strangers to the political situation of those dominions, the same difficulties no longer exist; for we have had the advantage of experience, from the application of these regulations, and are prepared to judge of the value of each of them, and, of consequence, to form a system arising out of the nature of our acquisitions in Hindoostan, and of our trade to the countries within the Company's limits. The object of such a

Object of it,

INTROD.

system is simple—It must be calculated for the preservation of the British dominions in India, and for the extension and improvement of our domestic and foreign trade.

Difficulties arising from the diversity of opinions respecting it,

EVERY man of observation must be satisfied, in the first place, that the opinions of the Public are far from being in unison, as to the system which ought to be adopted for the future government of British India, or for the regulation of our Asiatic commerce;—that much is due to the enterprise and merits of the East-India Company, to whom Britain originally was indebted for valuable dominions, and an important branch of its trade, and that care must be taken to continue with them such privileges only, as are consistent with our general commercial prosperity, and yet to place the administration of Indian affairs on such a foundation, as not to bias from the center upon which they turn, any of the component parts of our happy Constitution.

From the characters of our Indian provinces—

It ought, in the next place, to be recollected, that the nations comprehended in the British Indian empire are of various and distinct characters, and that the regulations to be proposed for their future government must be reconcilable to the manners, to the kinds of religion, and to the various territorial or commercial resources of the people for whom they are intended. Our dominions in Hindoostan, it must be remembered, spread over a country almost equal to Europe in extent, and are inhabited by nations as different from each other, in origin, in feelings and in habits, as all of them are from Europeans.

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As branches
of the British
empire.

THERE can be no difference of opinion, with respect to the administration required by the spirit of the government, for Britain itself, where the executive has been controlled by the legislative power; and where both have been refined by the mild administration of our laws. Circumstances, however, both local and accidental, have rendered the extension of our free government and mild laws to our foreign and distant dependencies, difficult and in some instances impracticable. The remote situation, and the various descriptions of our dominions, in the East-Indies, have made the full communication of the privileges of British subjects to the natives, an object rather to be desired by the liberality of the nation, than to be reconciled to the actual administration of our affairs.

From the circumstances which have attended the rise of the British power in Hindoostan.

It ought, in the third place, to be remembered, that the relation of Great Britain to its Asiatic dominions is of a mixed and novel kind. It began with commerce; it was reared up by arms; it has terminated in the acquisition of territories, by treaties and by conquests. An immense army of the natives trained in the modern art of war and commanded by European officers, and a large body of regular Europeans in the King's and Company's service, have been required to maintain those possessions; while great political wisdom, resulting from the experience of the Directors and of Parliament, has been called for in the administration of our power, and in finding out channels for the circuitous commerce, by which the surplus revenues might be made to flow home, for the benefit of the Proprietors and of the Public at large.

THIS

INTROD.

And the distance of our Indian provinces from the seat of government.

THE relation subsisting between Great Britain and its Asiatic dominions is thus a new event, in the history of mankind. As a political phenomenon it has been the wonder of foreigners, more particularly when they adverted to the circumstances, that the seats both of our Eastern dominions, and of our trade, are distant from us nearly half the circumference of the globe, and that we have discovered the political secret of maintaining our sovereignty, by an administration that is local, discretionary and prompt; and yet of engrafting by it, on Asiatic institutions, degrees of the mild maxims of British government and laws.

Origin of Asiatic commerce.

IN order to explain the source of the British power in Hindoostan, we shall have, in a particular manner, to advert to the events out of which it has arisen.

IN ancient times, the commerce between Europe and Asia was carried on, partly by land, partly by the course of great rivers and a clogged coasting navigation. The Eastern silks, spices and aromatics, and precious stones, were in the highest estimation, among all the nations of antiquity; but the conquests even of Alexander, in India, were limited, while those of the Romans never led their legions beyond the Banks of the Euphrates.

First aspect of it among the Europeans.

AT the time when the modern Europeans began to assume a civilized character, they also imbibed a taste for the luxuries of Asia. The ships of the Italian free states, for

this

this end, took up the Indian goods, which by means of caravans and the navigation of rivers, had reached the shores of the Mediterranean, and diffused them over the Northern kingdoms of Europe. INTROD.

TOWARDS the close of the sixteenth century, the minds of the Europeans, in general, began to take an adventurous turn. This bias was strengthened by the discoveries which had been made in those natural sciences, that are subservient to the creation and improvement of the useful arts, and it terminated in exciting a general desire, to make discoveries and to encourage trade.

IN this new and bold career, Spain and Portugal, unexpectedly took the lead: both courts patronized schemes for exploring, not only those parts of the world, which hitherto had been concealed from the Europeans, but for finding out tracts, which should be better suited to the purposes of trade, than those which had hitherto been pursued. Discoveries
and conquests
of the Portu-
guese,

UNDER this impression, Columbus sought a new route to the East-Indies; but, by an accident, was driven to the Continent of America, there to rear a new pillar of the world, on which the crown of Spain was to lean.

VASCO de Gama, soon afterwards, on the original plan of Columbus, of finding a passage to the countries in the East, which

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which had been described by Marco Polo, doubled the Cape of Good Hope; sailed along the coast of Africa, and reached the great peninsula of Asia. Gama, by this discovery, gave to Portugal a trade, more valuable than that which Columbus had conferred on Spain, though he could not annex to his country, either territories so extensive, or a trade so immediately productive.

THE Portuguese conquests in the East, in a short time, were of the most splendid kind. The riches which the ships of this nation brought to Europe, enabled Emanuel, its Sovereign, in some degree, to balance the power of his mightier neighbour; while the fame of his conquests, in the short space of twenty-four years, confirmed the general propensity to commercial enterprise, which already had been taking root among the European nations.

PORTUGAL, soon after this period, became a dependency of the crown of Spain. The Eastern Portuguese, upon this event, considered their relation to the mother-country, to be, in a measure, dissolved. It was during this state of their feelings, that Philip, with an impolitic severity, prohibited his Asiatic, from having any intercourse with his revolted subjects in the Netherlands.

—of the
Dutch,

THE Dutch had already thrown off their dependence on the crown of Spain, and were struggling to establish their civil and religious freedom. These new republicans had motives to industry of every kind: they possessed a country which

INTROD.

which did not afford provisions for a third part of its inhabitants, and they had no other resource, but in their industry and maritime skill. Patient in their tempers and persevering in their purposes, trained too in a country, where maritime, if not the only, was certainly the principal pursuit; they caught, at once, the spirit of enterprize, because it promised them, at the same time, power and ample gain. For these purposes they sent their armed ships to the East, established factories, became the rivals and supplanters of the power and influence of the Portuguese; and, at last, erected their several, but connected East-India Companies.

—of the
French.

FRANCE was then governed by Henry IV, who had for his minister the Duc de Sully. Though occupied, at this juncture, in opposing the schemes of the Empire, France, in a short time, caught a degree of the prevailing spirit of adventure, and became one of the rivals, which the Portuguese, the Dutch and the English had to meet, in the eastern markets. It does not, however, appear, that France, during the greatest part of the seventeenth century, understood the principles upon which a foreign and distant trade could be established, or that its mercantile œconomy was as yet ripened for any thing beyond a narrow trade with its European neighbours.

Rise of the
London East-
India Com-
pany.

THE English nation had, during these events, neither been sensible to the value of this commercial object, nor slow in its efforts to extend its trade and navigation.

C

fessed

INTROD.

possessed of more national ardour and yet equally persevering with the Dutch, emerging too from civil and religious thralldom, it determined to participate with the Portuguese and Dutch commercial adventurers, in the profits of the trade to the East-Indies.

It was not to be expected, in this early stage of trade, that the stock of any one individual could be equal to the expences, or to the risk of such a scheme. A Company, therefore, was formed, which united the stocks of individual merchants; and, by a royal grant, was made a body corporate, capable not only of acquiring property, but of holding a territory under the Crown.

As the trade to the East increased, the *London* East-India Company obtained additional privileges from a succession of sovereigns; who, in return, received considerable sums of money, and an increase of revenue.

Effects of the
revolution
1688 on this
Company's
rights.

THE period, however, approached, which gave a fixed character to the British constitution, and questions now began to be instituted in courts of law, respecting the nature of exclusive privileges of trade, and respecting the titles of the Sovereign to grant them. As the decline of the absolute power of the Crown was drawing near, and the nation were preparing for a precise and defined Bill of Rights, the decisions on these questions, in the different courts of law, were gradually taking a more liberal form; till, at last, the revolution of 1688 took place, and the distinction between a

simple right of the Crown and a charter from the Sovereign, proceeding on an agreement with parliament, for a valuable consideration, was fully and accurately defined.

INTROD:

AN accident, soon after this memorable æra, brought this principle to maturity. Parliament had entered into an agreement with a new trading association, to be denominated the *English East-India Company*, and had inconsiderately transferred to it the rights, which could not be taken from the Old or *London Company*, without violating the 13th article of the Bill of Rights, as well as the established laws of England. The opposition of two *India Companies*, of the *same country*, to each other's progress, was too violent to be lasting. It was found, that the prosperity of both, was incompatible, and that the continuance of their opposition to each other could only terminate in their common ruin. An union, therefore, of their interests, appeared to be the obvious and necessary means, both for preserving and encreasing the British commerce to the East, and for enabling the nation to meet, with spirit and effect, the superior advantages possessed by the Dutch.

Union of the
London and
English com-
panies.

The United Company of Merchants Trading to the East-Indies, was therefore established. To it were transferred the privileges which the London Company had got by successive grants from the Crown, and the Rights, which the English Company had acquired from the Sovereign, upon the basis of the 13th Article of the Bill of Rights. Possessed of a stock, proportioned to the magnitude of their schemes, and act-

Spirit of their
Charter, and
sketch of their
progress.

INTROD.

ing under a Charter of Rights, which rested on the basis of the Constitution, the seats of their commerce multiplied, their exports fostered our rising domestic arts and manufactures, and their imports gave raw materials to both, added to our public revenue, and raised our commercial importance in Europe.

For many years the territorial acquisitions of the East-India Company must be viewed in the back ground of their commerce; but during the last thirty years, their commerce has become a subordinate object to their territorial possessions.

DURING the war which terminated in 1748, France began to form the bold scheme of becoming one of the sovereign powers in Hindoostan. The nature of this undertaking, and the probable success of it, with reason alarmed the English company, who now saw that the seats of their ancient commerce in the East were in danger of falling into the hands of an European rival; and that those profits, which they had for so many years drawn from their trade, might, in a moment, be swept away from them by the united arms of their Indian and French enemies.

Situation of
the United
Company at
the peace of
Aix la Cha-
pelle.—

THESE alarms were, in appearance, dispelled by the peace of Aix la Chapelle, in 1748, which restored their Indian factories to the French and English nations. It was impossible, however, that either of these powers could be in-
different

different to a prize of such value as a territory in Hindoostan, which might afford a revenue sufficient to support the force required to defend it, and a surplus sum for the purchase of investments for the European market. Both countries had armies on the Coast of Coromandel, and the officers, who conducted each of them, had formed alliances with the native princes and states, with the concealed object of renewing the wars, which were to terminate in rendering one of these European nations paramount in India.

THE distresses and embarrassments, which this situation of affairs brought on the French and English companies, induced the respective Directors of each to apply to their Sovereigns, praying them to interpose their power, and to fix on some solid basis the Rights and Privileges of their subjects in India. Terms of accommodation were, in a measure, agreed on by the two Courts, when the war, 1756, unexpectedly took a decided and declared form.

IF, in this war, the success of Great Britain in North America, brought that large Continent within the widened circle of her power; her victories and acquisitions in Asia, seemed rather to be a chain of miracles, than a succession of real events.

At the peace
1763.—

BRITAIN now became sovereign of the rich provinces of Bengal, Bihar, and Orissa, of the Northern Circars, and of part of the Carnatic; while she not only retained her ancient possessions on the Coast of Malabar, but laid the
found-

INTROD.

foundations of a more extensive commerce in the gulf of Persia. Her influence, too, over her allies, the Vizier of Oude and the Nabob of Arcot, and over the districts depending on them, if it did not amount to a sovereignty in name, has, in the event, become one in reality.

At the peace
1783.

TWENTY years had only elapsed from this memorable æra, when Great Britain had to contend with France, with Spain, with Holland, and with her own revolted Colonies. The pride of a great people will lead them to wish, that they could drop the curtain (and for ever) over the events of this fatal war; for the sake of these natural and honorable feelings, we shall suppose the memory of it to be obliterated, and rather look to the East, where Britain was ultimately successful.

WHETHER we ought to refer the preservation of our Asiatic empire to accidents, or to the talents and wisdom of the servants of the East-India Company, it is not our province to decide. The fact admits not, happily, of any doubt. If, in the Western world we had provinces to relinquish, if at home, we had debts of an alarming magnitude to discharge; our dominions and trade in the East still remained entire, and had even been increased. The nation, therefore, looked to the East-Indies, as the most important foreign dependency it possessed; by its trade to Asia it hoped to revive its arts, diffuse its manufactured productions, restore its revenue, and, once more, to give splendor to its empire.

INDIA

INTROD.

Parliamentary enquiries into the state of Indian affairs instituted.

INDIA had, previous to and during the war, become the subject of public attention, and the conduct of the Company, of Parliamentary discussion. The House of Commons, satisfied that information respecting the true state of the British dominions in the East was wanting, had appointed successive Committees composed of members of acknowledged probity and talents, who, with great impartiality and ability have given, from evidence, Reports on the conduct of the servants of the Company, in the different wars which had been carried on in Hindoostan; on the nature, value and extent of the British dominions in the peninsula of India; on the revenues which they could yield; and on the expenses requisite for supporting the civil and military establishments necessary for their preservation and prosperity.

Result of them leading to general plans for the better government of our Indian intercircles.

THE result of these Reports, however, seems upon the whole, to have been the formation of a general opinion, that the interests of the Company, and of the nation, had, in many instances, been misunderstood, and, in some cases, lost in those of individuals; that the Company, though qualified, from their characters and pursuits, to be merchants, were not competent, (at least on difficult emergencies) to be sovereigns. A system, therefore, was now to be brought forward, the object of which, in the first place, should be to remedy the evils arising from the mal-administration of the Company's servants abroad, and, in the next place, to render India itself a productive branch of the British empire.

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THE establishment of these general opinions, both in the minds of the nation and of the legislature, produced the plans of affording the protection of the laws of England to the natives of India, who are subjects of our government; of taking measures for rendering the servants of the Company abroad more obedient to the orders of the Directors at home; and of subjecting the Directors to the superintendence and controul of the executive branch of government. These schemes, by degrees assumed a more defined aspect; but what rendered them difficult of execution was, that the public, in general, were as yet strangers to the true state of our Indian affairs, though disposed, from their prejudices, to censure and condemn the Company's servants, for the speculation and crimes, which, it was alleged, they had committed; and ready to second the measures by which a reformation of these abuses was recommended. Under these impressions, specific plans were proposed to parliament in 1783-4, by Mr. Dundas, Mr. Fox, and Mr. Pitt, which, from the circumstances of the times, were laid aside, but will be brought under review, in this work, to enable the Public, by drawing from every source, to devise a system suited to the actual state of our Asiatic interests, and founded on experience and practice.

Specific plan
of 1784,
which passed
into a law.

THE nation however were fully satisfied, that some plan for new modelling the administration of our Indian interests, must be devised and adopted; one of the first acts, therefore, which passed in the late parliament, was, "An Act for the better management of the East-India Company at home, and in

INTROD.

in their different settlements abroad." It proceeded upon the principle of confirming the Chartered Rights of the Company, and of introducing the authority of the State to controul all operations and concerns relative to the civil and military affairs of the Company in India.

THIS bill was professedly one of experiment, not of system; for the Legislature and the Public were now fully convinced, that they had not acquired information sufficient to enable them to form a system, upon this great national concern. Care, however, was taken in the body of the bill, to check future peculations or crimes in the Company's servants; and to give efficacy to the orders of the Directors, by making disobedience to them cognizable by a court of judicature, and a misdemeanor. That the power of the Governor-general might be prompt and efficient, his decisions were rendered supreme, over all the Company's settlements; our Indian possessions thus became, though indirectly, more fully under the superintendence of the executive branch of the Constitution, while the existing rights and privileges of the India Company were left entire.

ONE of the first circumstances which attracted the notice of the Commissioners appointed under this act was, that the Directors, in the discharge of the executive powers which had been entrusted to them, had, from a want of authority, been unable to enforce their own orders, and that in each of the Presidencies, an irregularity and evasion

New arrangements of the Company's business introduced by the Commissioners under this act.

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of the instructions, which had been sent out to them, had prevailed. The first of these evils was remedied (as has already been observed) by the act having rendered disobedience a misdemeanor; the second of them was done away, by the introduction of a regular plan of business, into the administration of the different Presidencies. This last measure, His Majesty's Commissioners carried into effect, by dividing the business among four distinct Boards, to wit, the *Board of Council*, the *Military Board*, the *Board of Revenue*, and the *Board of Trade*. The transactions of the whole were to be under the management and controul of the Governor-general and Council, or President and Council, who alone were to correspond with the Directors. The business of each Presidency was thus reduced to departments. In the *Public Department* the Governor and Council had already had the cognizance of all the letters, which were not of a political nature, as transmitted to them by the subordinate Settlements. They had superintended all commercial transactions with the Company's factories in China; they had issued their orders, in whatever regarded trade and shipping; they had received and answered all personal applications; and had regulated the duties of the subordinate offices of every description. In their character of a *Secret Department*, they had confined themselves to subjects of a political nature, whether those which came directly from the subordinate Settlements, or those which were transmitted to them by the Company's residents, in the dependant provinces, or at the courts of the native princes and states. In this capacity, they had directed all transactions with foreign nations, hav-

ing

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ing factories or establishments in India, and had issued the orders, for the movement or employment of the troops. The business, however, was now still more accurately subdivided. To that part of it, which regarded transactions with the native powers, was given the name of the *Political Department*; and to that which referred to the transactions with European powers, having interests in India, of the *Foreign Department*; with these amendments, the business of the *Public Department* became simple and defined, and in a short time, checked that evasion or irregularity in the correspondence with the Directors, which had formerly prevailed; to the *Military Department* was committed every thing which regarded either the constitution or the transactions of the army. Whatever had a reference to imports and exports, was entrusted to the *Commercial Department*. The management of the rents of lands, the collection of the duties; (and, in Bengal, the government of Benares) were assigned to the *Revenue Department*.

IN consequence of these measures, the administration of our Indian possessions and trade has become regular and efficient; the credit of the Company has increased; the price of India stock risen higher than the most sanguine of the Proprietors could have expected; the trade of the Company has been almost doubled; the duties paid by them to the Public been augmented; tranquillity for a course of years maintained; and a war, not less necessary than politic, supported with dignity, and happily terminated with success and honour.

Beneficial effects of them.

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Bill required
to explain the
extent of this
act in 1788.

BUT while improvements were thus introducing into the administration of our Asiatic dominions, an event occurred in the political situation of the European nations, which appeared to augur a general war, and which, as it might replunge India in anarchy and calamities, rendered it necessary to explain, more fully, the extent of this act.

Events which
led to this
bill.

A FACTION had long been forming in the United Provinces of the Netherlands, the object of which, avowedly, was to overturn the established government of that country. The leaders of this association had been first secretly, and now were openly patronized by the ministers of France. Great Britain and its allies, upon this occasion, found it necessary to interfere, because the preservation of the balance of power in Europe required, that our ancient allies should not become the dependants of our declared rivals. The East-India Company on this occasion were naturally alarmed for the safety of their foreign possessions, and therefore petitioned His Majesty, for a reinforcement of European troops, as the only means of defending them from the attacks of the native powers, assisted by France. With his usual paternal care, His Majesty gave orders for raising a certain number of regiments for this service.

NATIONS frequently owe their preservation to the improvident measures of their enemies. By an impolitic interference with our American provinces, France reflected not that, in giving our Colonists independence, the viper which it had warmed into life, to destroy a rival, might turn

turn on the source of its re-animation, render it sickly, and hasten on its fate. It saw not, that there was a danger of introducing and habituating the minds of its own subjects to principles, as adverse to the duration of the monarchy, as they have proved to the happiness of the people. This Court, when it was too late, began to discover the consequences of its improvident conduct—in no condition to support the faction it had raised in the United Provinces, it acquiesced in the terms which preserved and confirmed the established government of the Netherlands.

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THE moment that the alarm from the prospect of a general war had subsided in Britain, it was made a question in the Courts of Directors and Proprietors, whether the regiments intended for India ought not to be disbanded, and the recruits taken to fill up the thinned ranks of their own battalions. The King, however, to give a proper impression, both to the European powers and to the native princes and states, of his intention to support and maintain the dominions of Great-Britain in Hindoostan, ordered the troops to be embarked and sent to India. It had, while this affair was depending, been made a question by the lawyers of the Company, “how far the Bill of Regulation of 1784, conveyed to the Commissioners for Indian Affairs, an active controul over the revenues of the Company in India?” and “whether or not the consent of the Proprietors and Directors had not been implied in the spirit of the act?” The terms in the act, it was agreed, had not been sufficiently explicit, though it could not be doubted, that the

Objections
made to it.These objec-
tions remov-
ed.

act

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act itself intended to convey to the executive government, the power of judging of the measures which might be deemed expedient for preserving our Indian possessions. A short bill, therefore, passed in 1788 to explain a point which it was impossible to allow to remain a matter of doubt. To remove every possible objection against this bill, a clause was inserted in it limiting the number of troops to be sent out to India, and restricting the Commissioners from authorizing any increase of the established salaries and emoluments of any office there, unless such additions should be first proposed by the Directors.

Farther
amendment
of the act
1784, in
1790-91.

THE general government of the Company's affairs has continued under those regulations to the present time, except in the accidental circumstances when it became necessary, in consequence of the war, to send out to India an additional number of His Majesty's forces (during the Session of Parliament 1790-91); and also, to explain more fully, than the Act of Regulation 1784 had done, the powers of the Governor-general when any exigency might require his presence in a subordinate presidency.

Consequen-
ces of these
improve-
ments on the
general ques-
tion respect-
ing Indian
affairs.

VIEWING then the progress of Indian affairs, either in a political or commercial light, the Administration of the Court of Directors and Board of Commissioners, which has been happily in unison, has had the most beneficial tendency, and prepared both of them to meet the great questions, — Upon what principles ought the state to govern its Indian possessions.

possessions? and Under what regulations ought the trade to the East-Indies to be in future conducted?

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THE bill now to be proposed to Parliament for the settlement of these great national concerns, cannot be one of experiment, but must be one of system. Formerly the rights of the Company, under their charter, were to be preserved; and yet their possessions to be put indirectly under the administration of the executive government. Now the charter is about to expire, and the question is not only what system will be most proper for the future government of British India; but, under what regulations can the trade to the East-Indies be carried on, so as to increase the industry of our artizans and manufacturers, and the general circuit of our trade?

The bill by which they are finally to be arranged, must be one of system.

THE public and the commercial importance of this great national question will readily be admitted. To the public, it is of importance to preserve an extensive and valuable foreign dominion, to keep up a great and increasing revenue, to continue and extend their navigation, and to maintain a superiority over the other European nations trading to the East. To commerce it is of importance, as India is one of the markets for the sale of our manufactures; as it furnishes the requisite materials for the support of others; and as it enables us to sell Eastern commodities in Europe, in exchange for money, crude materials, and manufactured articles, which are again to pass into the circle of exchange. In the whole, as it contributes, in an important degree, to give

Importance of this subject.

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give to Great-Britain the balance of trade both in value and in price.

Claims of the
East-India
Company—

BESIDES these public and commercial ends, political consequences, not less momentous, are involved in the wise and liberal discussion of this subject. The Company, on the one hand, will plead that though their right to an exclusive trade is about to expire, they will still be entitled to remain a body corporate, with a right to trade to the East-Indies on their joint stock, that they hold several of their possessions, such as the island of Bombay, &c. in right of property, on paying a fixed sum to the Crown; that many of their other possessions have accrued to them by purchase; and that all of them are engaged as securities for their debts; that these debts, in many instances, have been contracted in wars for their own defence, and all of them on legal grounds; and, on the whole, therefore, that it would be contrary to *equity*, and the *rights* of British subjects, to deprive them of their property, without allowing them, at least, its full value; and contrary to *law*, to deprive them of the means which they possess for discharging, with honour, the claims of their creditors.

Of the nation;

THE nation, on the other hand, may insist that the rights of the Company were always understood to be ~~in~~ the term of their charter; that undoubtedly being a body corporate, they may continue to trade to the East-Indies, on their joint stock, in common with his Majesty's other subjects; that however necessary monopolies may be, in the infancy

infancy of a trade, in order to afford encouragement to enterprize and remuneration for the services done to the public, they are prejudicial when trade has attained its vigor; for then they check the spirit of general industry among a people, and enrich a few at the expence of the whole; that no doubt, after viewing the profits of the Company since they obtained their different grants, as well as the riches which they have acquired from the purchases they have made under their charter; and after considering the expences of their forts and military establishments, and of their successive wars, the public will allow them a reasonable compensation; but that this act of justice cannot in any way be argued as a reason for including in this estimate the value of their conquests, because by the laws of the realm, whatever the subject, under the authority of the Sovereign acquires by arms, or conquest, becomes and is the patrimony of the state; that, on the whole, the question is not *now* what rights the Company hold under their charter, (for this is supposed to be expired, or at least the notice of its expiration to have been given,) but what compensation in justice is due to the Proprietors? and what system for the future government of our Indian possessions and for the maintaining of the trade of Great-Britain to the East-Indies, will be most wise, practicable and permanent?

THESE claims of the Company and of the nation must be listened to with candor and impartiality, and decided upon with foresight and system. No reasonings from what may happen are required to shew, that the legislature must

The claims of both must of necessity be listened to by the Legislature,

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take care that the commerce of Great Britain to the East-Indies be maintained in full vigor, neither curbed in its spirit nor diverted into a foreign channel; nor are any reasonings necessary from principles to establish, (what experience has so fully evinced) that the patronage of Indian trade and revenue ought to be so placed, as neither to interfere with the prerogatives of the Crown, nor with the privileges exercised by the representatives of the people. Though such obvious inferences rise from the most general view of this great national question, it ought to be remembered, that whatever bill may be introduced into parliament, in order to settle the interests of the India Proprietors and of the nation, it must be adapted to the present state of Indian affairs. The rights of the Company, if they are to be vested with a new Charter, must be defined, and our Asiatic possessions must, as far as the nature of them will admit, be incorporated with the British empire. The question then will be, what system may be most proper, not only for the future government of India, but for connecting with its prosperity, inducements sufficient to call forth the industry of our artizans and manufacturers, the confidence of our merchants and a liberal spirit of general commerce?

and not clogged with speculations.

THE Public, no doubt, will have difficulties to surmount in solving this question, from political speculators who may be interested in the decision for or against the continuance of the Charter to the Company; these speculators may run into the extremes of reasoning on commerce and on revenue. On the one hand, it will be asserted, that the idea of profits from
abroad

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abroad and general trade to India, is chimerical, since the greatest prosperity of that trade has been owing, not only to the relation which it bears to the Indian revenues, but to the confidence which the natives, both of India and of China, have long had in the knowledge and commercial honor of the present India Company ; and that if the trade should be opened to new societies or to individuals, the information of neither respecting it, nor their credit would be equal to the undertaking. And hence a danger would be incurred not only of reducing the home revenues of customs and duties, which the Public are daily receiving from the Company's imports, but of throwing the trade into the hands of foreign and rival European nations.

ON the other hand, it may be maintained, that though the territorial revenues are great, yet that their value is diminished to the nation, under the pretext of large incidental expenses in the different civil and military establishments, by mismanagement in the purchase of investments, and the manner of conducting the trade; and that although a surplus is held out, the debts of the Company are still immense and must remain so, till such time as the revenues of the Indian provinces become entirely a part of the resources of the Public, and be annually adjusted by Parliament.

To obviate the impressions that may thus be attempted to be made upon the minds of the Public, and to enable them

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Means already possessed by the Public for examining the subject.

them to form a just idea on the subject, they have the information, which for a series of years has been gradually brought before them, together with the experience of the several measures which have been actually adopted for the government of India, and of the benefits which have accrued to the Nation from the Company's trade.

PARLIAMENT has employed successive Committees, as has already been mentioned, to investigate the true state of the different branches of our Indian affairs, and the results, in the form of Reports, have long been open to inspection and examination. His Majesty's Commissioners for Indian affairs have annually laid before Parliament, accounts of the revenues, expenses and standing debts of the Company: in stating the particulars of which, not only the public documents officially communicated by the Directors, have been rested on, but every information which could be derived from the local knowledge of men of ability and integrity has been procured and brought forward.

Further information required, to enable the Public to fulfil its intentions respecting India.

NOTWITHSTANDING the inferences which have been drawn from these materials, and the general information they contain, the liberal views of the British nation respecting their Indian possessions require a variety of particulars to be more minutely enquired into, before it will be possible to realize the whole into a system.

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THE prevailing opinions respecting the future government of India and regulation of trade to the East-Indies, seem to meet in the following description.—

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—THAT a system should be formed, which shall preserve as much as possibly can be done, their institutions and laws to the natives of Hindoostan and attemper them with the mild spirit of the British government :

—THAT this system should vest in the state its just rights of sovereignty over our territorial possessions in India, of superintending and controlling all matters of a financial, civil and military nature :

—THAT it should preserve the trade to the Company, in all its branches, but give to the executive government a proper authority to regulate their proceedings, bounded by a positive responsibility to Parliament.

IN order to facilitate the accomplishment of these important purposes, it may be proper shortly to state the leading facts and events in the history of the countries in which the British settlements in India have been established, together with the principal occurrences which have taken place in the countries connected with the Company's trade to the East-Indies and to subjoin to the whole a succinct view of the changes which the trade of the East-India Company has experienced.

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The leading
events in the
history of
Hindoostan.

THE first of these subjects will bring forward the real scenes in which we have been engaged, whether in arms, in politics, or in trade;—the second, those in which we have been engaged in trade only,—while the last will lay open the progressive situation of the greatest trading association in the world. Upon such foundations the Public will be enabled to examine the plans, which have been at different times under consideration, for the government and regulation of the British interests in the East, and to compare them with the system afterwards to be submitted to their candor and judgment.

Two leading events will explain to us the chronology of India, in the present relation which that country bears to Great Britain, viz. The fall of the Mogul Empire; The Company becoming one of the powers that arose out of its ruins; and, possessing, for upwards of thirty years, provinces yielding a revenue subservient to the purchase of investments for carrying on their trade.

THE Peninsula of India was, anciently divided among a number of independent sovereigns or states. The inhabitants, at that time, were in the stage of civilization, when wars are undertaken for plunder,—not with the object of making permanent conquests. The natural indolence of the Hindoos, and the superstitious prejudices by which they have been guided, have rendered them an easy prey to a succession of invaders. The first inroads of the Moguls were temporary;—by degrees, they fixed their power, and became

became sovereigns. The establishment of their empire was owing to the accidental talents and success of a few ambitious and able leaders, who reduced many of the Soubahs to the state of conquered provinces.

THE means by which these districts were subdued, as well as kept in subjection were arms, attended with the vicious propensity of promulgating a barbarous superstition, and with the relentless fury of persecution.

WHEN the Mogul Empire was at last established, these calamities, instead of terminating, were again preparing to break out, and with greater horrors. There was no right of succession among the sons of an Emperor, but that of one of them possessing superior talents for war and political intrigue. He stopped only, with the murder or imprisonment of all, who had, or could have been his rivals: scarcely, however, was he seated on the throne, when the same tragical scenes were to be acted anew. His sons, as they rose to manhood, were to become commanders of armies and governors of provinces; and then to turn the force of the one, and the wealth of the other, into instruments of new rebellion. Hence the Emperor was frequently imprisoned, or murdered, and his family fell before that one of his descendants, who was the successful usurper.

AURUNGZEB, was the last of the great Mogul monarchs. Adventure, who had been first slaves, or soldiers of fortune, and then governors of provinces, raised armies and made

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made themselves independent princes: became rivals to each other, and in the end, called in the Persian and Tartar plunderers, overturned the power of their Sovereign, and were themselves, in succession, dethroned, assassinated, and succeeded by their murderers.

By these causes the unwieldy Empire of the Moguls fell; and Hindoostan, reduced by perpetual civil wars, to perpetual miseries, presented only a scene of political anarchy

IN viewing India, from the fall of the Mogul Empire to the establishment of the territorial power of Great-Britain in the East; events only, which, after such a revolution, might naturally have been expected, will be found to have taken place, unless it was the singular one, of a commercial Company, having become a sovereign power. The situation, however, of the usurpers in the different provinces, opens to view the sources of this political wonder.

THESE new Sovereigns, or their families, continued to reign while talents and resources continued to them, or till some new adventurer found opportunities and means to dethrone them. But the name of the Emperor was still in the descendants of *Timur*, and their unavailing phirmaunds were given to those who could purchase or command them.

MANY of the new usurpers either had ~~real~~ or forged phirmaunds; for the Mahomedan inhabitants still retained
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that veneration for the name and authority of the Mogul which prejudices had taught them, and which arms found it difficult to extinguish.

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AMID these revolutions, the descendants of the ancient Hindoos retained, and had, from sufferings, as well as religious prejudices, a deep rooted hatred against the Moguls. They had, even during the vigor of the Mogul Empire, asserted degrees of their power, particularly in the provinces of Moultan, the seat of the Rajpoots; and, in the inaccessible parts of the Peninsula. They now began to entertain the hope of recovering their independence, if not of expelling the conquerors. Under these circumstances the Mahrattah empire was formed. The enterprising spirit of Sevajee, and of his immediate successors, in a short time extended it over almost half the Peninsula. The seeds, however, of new civil wars grew up with their sovereignty; for the officers of the first Mahrattah Rajahs reduced the authority of their descendants to merely a name, which the prejudices of that people might revere, but which was rendered as inefficient, as the power of the Mogul had now become.

It was in this situation of the Indian nations, that the European Commercial Companies found their factories or seats of trade threatened with ruin, about the middle of the present century; some of these factories they had obtained from the Moguls, before the fall of their empire: others, from the first usurpers of the Mogul power. Presents and new tributes

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were now to be almost daily repeated, to every new usurper whose armies required supplies, or whose power could levy contributions. The force, which had been kept up to guard the factories, was of necessity encreased. In numbers it was insignificant, but in military skill, it was superior to the native soldiers.

FRANCE, on the Coromandel coast, was the European nation which first saw the important and valuable acquisitions that might be made by the superiority of the European military art, and therefore, began to encrease its force at Pondicherry. That nation scarcely had discerned this object, when it became a matter of astonishment that such a prize had so long been unnoticed. After a train of intrigues, and after some accidental advantages gained over the numerous armies of the country powers, the French obtained from them several valuable districts, the revenues of which defrayed the charges of their European army. They next levied a few battalions of natives, to be disciplined in the European art of war, commanded by European officers, and supported by revenues from their conquests. This measure soon gave a decided superiority to their Allies. France thus was admitted to represent a branch of the Mogul empire; and, in a short time, became an Indian Sovereignty.

HAD the French, at this period, found no opponent but the native states and princes, the superiority of the European military discipline would have led them to the sudden acquisition

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acquisition of an empire in the East. Great Britain had, however, at this important crisis in Indian affairs, troops in all its settlements, nearly equal in number to those of France, and commanded by officers, whose abilities in the field, and talents for political adventure, may have sometimes been equalled, but seldom excelled. These officers now saw the line the rival nation of their country had taken, and made the India Company fully sensible, that, the acquisition of territory was but one of the schemes of France, another, and the principal, was the expulsion of the English.

THE two nations therefore engaged in the pursuit of the same object; and both saw, that the security of their trade depended on the superiority they might obtain in the fields of Indian wars and politics. The armies of Great Britain prevailed, and at the conclusion of the memorable war in 1763, the French power was narrowed to the ancient seats of their trade, while Britain, whether viewed as one of the many usurpers in India, or as having made lawful and honourable conquests, found itself possessed of the principal seats of its present empire in the Peninsula.

IN viewing India from the establishment of the power of Great Britain, to the present time, a very different scene presents itself.

THE East-India Company, which hitherto could only be considered as merchants, with the requisite authority over their servants, who were stationed at their several factories, now be-

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came the delegated Governors of rich provinces. Commanding an army, equally well appointed and as numerous as that of the mother country, empowered too to form alliances in India, provided they should not be inconsistent with those which Britain had contracted with the European nations having interest in the East, and possessing from these circumstances a patronage rich and extensive, they became, in fact, a sovereign power, amenable only to the state, by which they had been constituted and were protected.

THIS power, the Company had neither been habituated to feel, nor trained to exercise. The narrow system, which was fitted for the management of their factories, was by no means calculated for the government of rich and extensive kingdoms. The temptations held out to their first Governors and Officers, to intrigue and make war in India, were irresistible; and the rewards which they obtained from these schemes and wars were princely. Hence, the general bent to bring about revolutions, to become the ally of a country power, and to obtain a part of the territories, or tributes of its opponent. And hence the political embarrassments in which such schemes plunged the affairs of the Company, as well as the measures of the state.

THE Indian powers, who had experienced the superiority of the European discipline, were now determined to copy it. Men of talents always appear amid the struggles of nations. Hyder Ally, a soldier of fortune, and the Mahrattah Chiefs,
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in a lesser degree, began to adopt the European art of war. From local situation and from finesse in character, they soon became our rivals in arms and in politics. The former, like another Hannibal, was determined to extirpate the new masters of the Indian world; and the latter, who had war for their national resource, wished equally to crush this usurper and the strangers.

It was natural for France to take measures for recovering its power in the East; and by intrigues and military aids to second the efforts of the Indian enemies of the English.

SCARCELY had the peace 1763 been proclaimed in India, when the agents of France again wrought themselves into influence with Hyder Ally and with the Mahrattahs. This ambitious court, though it could not yet see the immediate means, by which it was to rekindle a war in India, yet was decisive in its choice of the instruments to be employed in it. Hyder Ally, seconded by his son, was forming the plan of becoming Nabob of the Carnatic, and negotiated with the French for assistance to secure to him a sovereignty, in which, he flattered them, they were to participate. The train of negotiations and of wars which followed, were unfavorable to the English interests, and in the impressions which the issue of them made upon the native powers of India, we discover the sources of the general combination, which they formed, in connection with France, for extirpating the English from the Peninsula. The war and the negotiations which followed, though chequered with

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misfortunes, yet ultimately left us in possession of our dominions, loaded, indeed, with a large debt and divided by parties in each of the Presidencies, but under circumstances, which called for the interference of Parliament, and that led to an arrangement of Indian affairs, to which posterity will look back with approbation.

THE idea that the Indians, anterior to the establishment of the British power, had lived in that golden age, in which Nature spontaneously dropped her store into the hands of the innocent defenceless natives, is not less fabulous than that all their miseries have arisen from the wars, oppressions and cruelties of the English. This prejudice is contradicted by facts, which evince, that the provinces acquired by Great Britain and the territories of its allies have enjoyed a prosperity formerly unknown in Hindoostan. The history of that country proves that the Mogul empire was founded on violence and persecution; that the spirit of its government was absolute and oppressive, from its rise to the period of its fall; that the degrees of its institutions which continued in practice among the new sovereignties that sprung up out of its ruins, had an equally oppressive tendency; that the transmigration of its essence into the administration of the independent Hindoo sovereignties, corrupted their ancient purity and freedom; that the portion of its policy introduced by the conquerors of the British Indian provinces, was a measure dictated by a new and unknown situation: ~~that~~, in fine, the gradual manner in which it has been moulded down
into

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into a milder system under the British government, laws and police, is to be ascribed to the character of a free, though conquering people. The whole of these particulars taken into one broad view, will prepare the Public to judge of the question, “How far the spirit of our government, laws and usages can be engrafted on Asiatic institutions?”

Of China and
of the Eastern
islands.

In the next place, in giving a view of plans which have been proposed for the regulation of our Asiatic interests, we must refer to the Political and Commercial History of China, and of the Eastern Islands. But in this branch of the subject, we are not, as yet, possessed of adequate documents or evidence. Neither China nor the islands on its coasts, to which the Company's limits extend, are, after all our commercial intercourse with them, sufficiently known to us. The materials for a History of China are still *desiderata* in the annals of nations. We know little more of this singular people, than what the mutilated reports of missionaries and voyagers furnish. The records of the Company's connections with China, in few instances, go beyond the accounts of their shipping, profits and losses of trade. The embassies of the Mogul and of the Persian monarchs which have been sent to China for the purpose of opening a political and commercial communication with that empire, have proved as unsuccessful in their negotiations, as those from the European commercial states have been unfortunate. When, indeed, it is considered, that the vicinity of the Mogul empire to China rendered

caution.

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caution a necessary principle with the Chinese, and that the bullion and exports of the European nations placed them in the inferior rank of merchants, though able, from their naval power, to distress the coasts and shipping of China, we scarcely can be surprised, that this secluded nation, conscious, perhaps, of the superiority of the strangers, embraced the narrow policy of prohibiting them from an easy, or an open intercourse in their country.

It was not till Great Britain found it expedient, in consequence of the enlarged trade to China, to open a more extensive commerce from its Asiatic dominions to that empire, that it projected the plan of a political communication with China. The situation and resources of that country, made the Company and the executive power equally anxious to try, whether it was practicable to open new markets for British produce in the interior of it, or to obtain imports from it on easier and more liberal terms. The death of the first honourable conductor of this scheme cut off the prospect, for a time ; but the progressive spirit of our improvements has again pointed out the propriety of the same experiment to the nation. Till the result shall be known, we must limit our observations on the plans for the China trade, to what the experience of the East-India Company can afford us. Should the present effort succeed, we may then hope to unfold the nature of the Chinese government and commercial resources. and be able to decide how far that country may become a field, in which the

the commercial industry of the British nation can reap its reward. INTROD.

IF we are better informed respecting the Eastern islands connected with China, in consequence of our own and the intercourse of the Dutch with them; and if since the passing of the commutation act, we have acquired the greatest part of the trade between Europe and China; yet still we are to learn what is the political and commercial relation subsisting between these islands and China, and, of course, what the value of both may be in our Asiatic concerns. In bringing forward, therefore, this branch of a plan, for the regulation of the trade to the East-Indies, we must proceed on the Company's Records alone, till the evidence shall be obtained upon which a system for it can be rendered more perfect.

IN the third place, we must, in examining former schemes, and in suggesting a plan for the future management of Indian affairs, refer to the leading events in the history of the East-India Company, in order to form practicable regulations for the continuance and improvement of our trade. The Company assumed different aspects at different periods. Our first traders to the East-Indies were only an association of adventurers, each depending for his credit upon his own stock. From the struggle which they had to maintain against the other European companies, they were soon obliged to combine the stocks of individuals to support their credit as a Company.

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Scarcely

Of the East-India Company;

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Scarcely had this effort been made, when they were embarrassed by opponents at home, more dangerous than those abroad against whom they had united. Licences were granted by the Crown to individuals, and a new association was authorized to trade within the London Company's limits. At length, after a variety of political and legal discussions, the important event of the union of the two English Companies took place. From this period the commerce of Great Britain to the East-Indies, was conducted on nearly the same footing with that of the Dutch; that is, exporting treasure and manufactured produce, and importing, either directly from India or China, or circuitously from the former and the latter country, Asiatic produce for the Europe market. The dominions which the Company afterwards acquired, in India, arose not from any desire of conquest, but from the necessity their servants were under of opposing the schemes of France. The rendering the revenues of those territories subservient to investments was a necessary consequence of the acquisitions being made by a commercial Company, and of the distance of the Indian provinces from the seat of government. From this juncture the scene becomes new, equally to the historian and to the œconomist; to the historian if he is to explain the political situation of the provinces from which a revenue was drawn that was to purchase the investment for China or for Europe; to the œconomist, if he is to examine the progressive effects of this new system of trade upon our manufactures and domestic credit.

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It could not be expected either that the Public or the Legislature, or even that the Company who managed this concern, could, at once, become judges of the extent of it. All men of observation were satisfied, that nothing more than experiment and regulation were practicable. The Company leaned on the protection of the state, and the state as it gave this protection gradually found it necessary to place Indian affairs under the control of the executive power, subject to the review of Parliament. In this way alone the Legislature (if we decide from experience) can render the Asiatic dominions and trade of Great Britain to the East, efficient branches of the Empire and of its resources.

In the last place, the Public have not yet been informed of the plans which, from time to time, have been devised and recommended for the better government of our Asiatic dominions, and regulation of our trade to the East-Indies. Before the acquisition of our territories, the plan of conducting the East India trade was uniform all over Europe. Factories, with a guard to protect them, and a marine to serve as convoys to trading vessels, or to balance the naval efforts of the native or European powers, constituted the foreign system. The domestic system was merely commercial, and a subject only of parliamentary observation, in so far as it contributed to the revenues or exigencies of the state. After, however, the English Company had obtained the delegated sovereignty of rich provinces in the center of India and

History of the plans which have been formed for the government of British India and trade to the East Indies.

INTROD. on the Coromandel coast, and while it was grasping at similar possessions on the West of the Peninsula, its servants, who had contributed to this aggrandizement of their country, naturally began to suggest plans to their superiors for the government of those dominions and the enlargement of their trade. These plans, at first, proceeded from the local knowledge of individuals; by degrees they were extended and reasoned upon by men of speculation in Britain: at last they came to be subjects of discussion in Parliament, and finally the subject of a Bill of Regulation, by which Indian affairs were placed under the control of the Executive Power. Since that period the foundations of them have been more minutely examined by evidence, collected from the local information of individuals, respecting the political situation of India, the sources of its trade, and the practicable means of improving its revenues.

References
to these
sources of in-
formation,
the object of
this work,
and a proper
foundation
for a system
of Indian af-
fairs.

THE review of these plans seems to be the proper foundation upon which to rest a system for the future government of our Asiatic dominions and trade to the East-Indies, and will become the first object of this work. It will lead forward to the second, or to the outlines of a plan for these national subjects, drawn from the records of the Company, and from the archives of the state. In this way we may be able to develop, from the History of India and of our commercial connection with China, not only the system of government and of trade which our possessions will admit of, but the mode

mode of engrafting a foreign dependency on the British constitution. By such an explanation of the plans for Indian affairs, plausible or impracticable schemes may be checked, and the attention of the Public fixed on the only foundations upon which a system for India affairs seems to rest. With this preparatory information, the Public will be assisted in examining and deciding upon the greatest question, in commercial and political œconomy, that has occurred in the annals of civil society.

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**HISTORICAL VIEW
OF PLANS,**

**FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.**

PART I.

**HISTORICAL VIEW OF THE PLANS WHICH HAVE BEEN OFFERED
FOR THE GOVERNMENT OF THE ASIATIC TERRITORIES OF
GREAT BRITAIN, AND REGULATION OF TRADE TO THE
EAST-INDIES; WITH THE POLITICAL AND COMMERCIAL
PRINCIPLES WHICH SEEM NECESSARY TO BE RECOLLECTED
IN FORMING A PLAN FOR THE FUTURE ADMINISTRATION
OF INDIAN AFFAIRS**

CHAP. I.

REVIEW OF THE PLANS WHICH WERE SUGGESTED FOR THE GOVERNMENT OF THE ASIATIC TERRITORIES OF GREAT BRITAIN, AND REGULATION OF TRADE TO THE EAST-INDIES, PREVIOUS TO THE ESTABLISHMENT OF THE BOARD OF COMMISSIONERS FOR THE AFFAIRS OF INDIA.

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of Government and Jurisdiction;—Sir Elijah Impey's Bill founded on them;—Inferences suggested by the Whole of these Opinions and Systems;—tending to fix our Notions of the Government suited to British India;—tending to fix our Notions respecting the Rights of Great Britain to its Asiatic Provinces;—tending to fix the Kind of Jurisdiction required in them. Mr. Dundas's Bill, proposed in 1783.—The part of it which regarded the System of Government suited to our Possessions in India;—the part of it which regarded the Situation in which the Natives were to be placed under the British Government;—the part of it which regarded the immediate Settlement of the reciprocal Claims of the Company and of the Native Powers, on each other:—general Tendency of this proposed Bill. Mr. Fox's Bills proposed in 1783.—His proposition which regarded the Arrangement of the Domestic Affairs of the Company;—Objections made by the East-India Company against its passing into a Law;—His Proposition which regarded the Arrangement of the Foreign Affairs of the Company;—Objections made by the East-India Company against its passing into a Law;—Effect of these Objections upon the public Opinion. Mr. Pitt's Bill proposed in 1784. Objections made against its passing into a Law;—Answers made to them;—Effect of the Whole on the public Opinion.

AFTER the East-India Company had become delegated sovereigns in Hindoostan, their transactions, in this new character, were made subjects of parliamentary attention and enquiry, and the question presented itself to the Public, *Upon what plan ought the British possessions in India and trade to the East-Indies to be conducted?*

General question respecting the government of India, and trade to the East-Indies.

THE novelty of the event of a Company of merchants administering the political and financial interests of rich and extensive provinces, and of being vested with a portion of the executive power of the state, was a circumstance, in itself, sufficient to render any answers, which could at that time be given, vague and unsatisfactory. The history of Hindoostan, in which the provinces were situated, was, at this juncture, new to the most intelligent of the Company's servants. In England, little more of it was known than the Names of a few of the late Emperors, or those of the usurpers, who were erroneously considered to be native Princes, with rights, which had descended to them from the most remote antiquity. The history of the East-India Company was, almost, as little known, as that of the countries to which their ships had resorted:—the Public had been attentive only to the sums which they could pay on the renewal of

Difficulties and prejudices arising from the novelty of the subject.

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their exclusive privileges ; or to the duties, which their trade had yielded, as one of the national resources. All men, however, were struck with the magnitude of their acquisitions, and those who beheld, only, the great fortunes, which their servants brought to Europe, comparing them with their own narrow possessions, listened with prejudice and credulity to the magnified accounts, which were published of their injustice, violence, and depredations. Though the English nation may sometimes be deceived, and, from the love of Justice by which it is distinguished, be too hasty in vindicating its national honor ; a little time soon brings forward facts and events, to its notice, and, upon them, it uniformly has decided, with discernment and with equity.

Progressive
views of it
taken by the
Public.

IN no instance has this national character been more fully illustrated than in the opinions which have been formed, shifted from, and new modelled upon the subject of Indian affairs. At first, the Public called for the punishment of Indian delinquents, but started back from the infliction of it, till evidence could be obtained. It then called for plans of regulation ; but soon discovered, that unless the rule was adapted to the case, the wisdom, or apparent comprehensiveness of it was of no value. It next listened to speculations on the good and bad effects of exclusive privileges of trade ; but, after examining them, discovered that the authors had been reasoning about a few facts, instead of collecting the evidence from which a solid judgment upon the subject could be deduced.

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THE general review of the history of India, and of the East-India Company, with which this work has been introduced, is sufficient to shew the gradual manner in which opinions upon this great national subject have been formed, and to put the Public on their guard against adopting rash or improvident schemes in the future regulation of it.

IN order to simplify the subject of Indian affairs, it will be of advantage to consider the plans and opinions which have been proposed or recommended for the management of them, both by referring to the specific objects of each plan and scheme, and to the chronological succession in which they have been submitted to the Public, or to the executive Power.

General objects of the plans respecting it.

THE two great objects of consideration in the most early period of the enquiry were,—The rights of the Company, and the rights of the State. The proprietors and servants of the Company naturally reasoned with a view to establish the former; the lawyers and political œconomists, to ascertain the latter.

THE Company reasoned, that the territories were an accessory to their trade; that they had an exclusive right to them, during the term of their Charter; that the irregularities which had prevailed among their servants, in India, were nothing more than what the suddenness of the conquest, and the want of a system for governing the provinces

Reasonings of the Company upon those plans.

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vinces had produced ; that with time and experience, and further powers from the state, these evils would be remedied ; and that the Company had a right to expect, from the state, further powers to govern a country which they had added to the British empire.

—of the
lawyers,

THE Lawyers, in general, on the other hand, argued, that when Subjects acquire territories in a war, they acquire them for the state ; that to suppose our Indian possessions to be an *accessory* of the trade, was reasoning from the principles of municipal law on a case that could only be examined on those of the law of nations ; and that even supposing the right of the Company to the produce of their territories to be a perfect one, still the consequence could not be, that the state was not to interfere in the administration of a dependency of the empire. Opposite positions to these were laid down by the Lawyers of the Company ; who held, that the territories having been acquired under the Charter giving an exclusive privilege, belonged to the Company. The only inference which can be drawn from the perusal of these voluminous disputes is, that the event has given the right of administration to the state, and left the territories to the Company, with the charges of maintaining them during the period of their exclusive privilege.

—of the politi-
cal œcono-
mists.

THE reasonings of the political œconomists, tended, generally, to establish the right of the state to participate in the profits of our Indian possessions, and the propriety or impropriety of continuing the exclusive privileges of the
Com-

Company. Two circumstances, at this juncture, render the reasonings of this class of writers uninteresting to us. In the first place, the question is not now, whether the Public have a right to dispose of their Indian possessions and trade; but whether it will be expedient to continue the exclusive privilege to the Company, or not. In the second place, the reasonings themselves are so warped with the prejudices of the times in which they were offered, that to bring them forward to notice now, would tend only to revive an unnecessary and useless discussion.

WHILE Parliament were employed in enquiries into the actual state of the British interests in the East-Indies, a variety of plans were brought forward and submitted to the consideration of Government. Some of them came from the servants of the Company who had been active in acquiring our Asiatic possessions; others of them were suggested by men of political knowledge, in Europe, with the object rather of discussing particular points, than of establishing a general system.

General
source of these
plans.

THE following plan has been ascribed to Lord Clive; and the review of it will afford satisfactory information of the prevailing opinions, at the time when Parliament were carrying on their enquiries to discover the value of our Indian possessions, and when they were deliberating whether this distinguished conqueror was to receive the censures or the thanks of his country*.

The plan of
Lord Clive,
the first and
most interest-
ing of them.

* This Manuscript is dated the 24th of November, 1772.

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His ideas respecting the sources of the anarchy which prevailed in the British possessions in the East.

HIS Lordship sets out with observing, that the situation of the East-India Company's affairs, had become so involved, as to have awakened the attention of the ministers of the King, excited fear and despondency in the Proprietors and Directors, and a general alarm in the Public. The whole distress, however, he considers to have arisen from the improvident participation of the Duannee revenues between the Public and the Company. With the view of illustrating this source of confusion, he compares the state of the Company before they became possessed of the territories in India, with what it was in 1772. The result of the comparison, his Lordship concludes, would be the establishment of the following facts :

1st. That from their not having a place of security in India, and a military force not exceeding one thousand Europeans, the civil servants of the Company, including those who had licences to remain in India, were increased to about two thousand ; the military servants (black and white) about sixty-five thousand, of which number nearly ten thousand were Europeans. That the British possessions were more extensive than the kingdoms of France and Spain united ; that the inhabitants, who might be termed British subjects, amounted to about twenty millions ; and the revenue was little short of six millions sterling.

2d. That the qualification to vote, was then* too small, being only £500 stock. That exertions had been made by the Directors, beyond their actual wealth, to purchase votes. That the servants of the Company had often returned

* That is, in 1772.

turned with fortunes, to obtain protection by purchasing votes in the Court of Proprietors—That these votes were at the disposal of the Directors, who, in return, absolved their servants from the charges brought against their conduct, and sent them back to new places of trust in India.

3d. That the principal servants of the Company abroad, had entrusted the management of the revenue to junior servants; who, in their turn, had assigned this duty to black agents: hence general extortion on the one hand, and the fraudulent receipt of money on the other.

4th. That the expenses of fortifications, cantonments, and, indeed, of every thing which regarded the army, had been absurdly extravagant.

UPON these grounds Lord Clive stated the following general question: *Can the Charters which were granted for the guidance of a limited Company of Merchants, be adequate to the government of an extensive empire?* After deciding, in the most positive terms, on the inefficiency of them, he proposes the following new system for Indian affairs, both at home and abroad.

Question arising out of his examination of them.

THE home system to be as follows: The Directors to be twenty-four in number, and to continue in office, seven, five, or, at least, three years; the salary of the Chairman to be £.1500 per annum; that of the Deputy, £.1000 per annum; that of each Director, £.750; but that no person, being a member of the Court of Directors, should have any other gratification, and should be declared incapable of buying or selling India stock, while holding this trust. The quali-

His notion of the home system for Indian affairs.

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fication of a voter to be £.1000 stock held by him, as his own property, for six months. In the event of a vacancy, in the office of Director, it ought to be filled up by the Court. When the general election of Directors should happen, the Proprietors ought to chuse a new sett, and not to have the power of continuing any of the former Directors in office. The Proprietors ought not to have the power of dismissing any Director, after his first nomination, without the consent of Parliament.

His notion of
the foreign
system for In-
dian affairs.

THE foreign system Lord Clive recommended to be as follows: The Court of Directors to have absolute power over their civil and military servants abroad. The Court of Proprietors to have a controuling power over the receipts and disbursements at the different presidencies. The Court of Directors to have the right of forming, from their own number, a secret committee, consisting of the Chairman, Deputy Chairman, and three Directors, for the administration of political and military affairs only. The Committee of Correspondence to be diminished, being too numerous to be entrusted with the secrets of administration. The first nomination of the twenty-four Directors to be in the King or Parliament; but all future nominations to be in the Proprietors. The Governor-general of Bengal to have £20,000 per ann. salary, and also the expenses of his table, and ensigns of honor, defrayed. The members of Council to have each £10,000 salary, and £5000 per annum for the expenses of their table, and other incidents. Bengal to be the station of the Governor General and Supreme Council, and all orders from it to the other presidencies and councils to be implicitly obeyed, unless countermanded by special orders from the

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Court of Directors. The mode of reformation, by temporary supervisors, (he observes) having been found inexpedient, the rank of the Governor-general and Supreme Council ought to be fixed, to prevent the subordinate Presidencies from acting with any other object, than for the preservation of Bengal, the center of the British dominions, in India. The commercial affairs, in India, to be placed under a council of eight, in which the Governor-general, or a member of the Supreme Council, ought always to preside. The salaries of this council, as well as of all the civil servants (writers excepted) and those of field-officers, and of surgeons of the army, to be settled by shares in the salt trade only.

SUCH is the outline of the home and foreign systems for Indian affairs, proposed by Lord Clive. With the view of recommending them to the Public, he subjoins some very interesting remarks on the subjects, which, at that time, were occupying the attention, both of the Company and of Parliament. As the substance of these remarks will throw considerable light on the early stage of our Indian interests, they may be digested in the following order :

His reasons
for recommending
these systems.

1. The subsisting act of parliament * which bound the Company to pay £400,000 per annum to the Public, at the time the proprietors were receiving 12½ per cent. ought to be repealed. The dividend ought to be lowered to 9 per cent. on the public faith being pledged, that Parliament

For increasing the stock,
and fixing the dividend
on it.

* See 7th and 8th Geo. III.

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would make no claim on the Company so long as the dividend did not exceed 9 per cent. The lowering of the dividend, however, should not be such as to bring distress on the Proprietors, whose fortunes might be embarked in India stock. The Company ought to be allowed to encrease their stock from £3,200,000 to £4,000,000, and the subscribers to the new £800,000 stock to pay £200 for every £100 capital stock, which they subscribed. The dividend, upon this new subscription, for the first year, to be 10 per cent. but, after the first year, the new and old stock to be consolidated, and the dividend on the whole to be 9 per cent. which would amount to £360,000 per annum. In the subscription the present stockholders ought to have the preference, and in proportion to the stock which they held;—by this measure, he concludes, that the Company would always be able to pay a dividend of 9 per cent. and that a surplus would always accrue, both from the trade and from the revenue, one-third of which ought to be applied to discharge the debts of the Company, and two-thirds ought to be paid to Government. With the view of securing this last object, it might be proper, he adds, that two Directors should be nominated by the King, and that they should be members of all committees at the India-house, but precluded from filling any of the chairs. This, on the one hand, (Lord Clive thought) would prevent abuses in the executive Government; and on the other, would be more constitutional than the appointment of a controuling power on the part of the State.

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For recruit-
ing the
army ;—

2. That there ought to be a regiment of the Company, stationed in England, by the authority of an act of parliament ;—drafts both of officers and of men might be made from it, as the service required. This establishment his Lordship had recommended so early as 1764, but the bill introduced into Parliament for that purpose, was rejected in 1770. Such a corps, he thought, would always afford drafts to fill up a garrison of 600 men for Bombay, a station of the utmost importance to the British shipping. Had the French, he says, possessed a retreat for their ships, in the war 1756, the ruin of their interests in India might have been averted ; he concludes, that Bombay would be the place the most open to an attack, if ever France should again attempt to acquire a superiority by sea, in the East-Indies.

3. Two-thirds of the Company's ships should be able to carry 70 guns each, or be *armée en flute* ; by this measure they would be able to oppose any sudden attack made by the French, and to defend our settlements till a reinforcement should come from England. Three sail of the line assisted by eight of the French Company's ships, withstood the attack of Sir George Pocock, with nine sail of the British line. These 70 gun ships would be the most proper for conveying men and military stores upon any expedition ; they would be sufficiently strong to take under their convoy the remaining third, which ought to be continued of the present size, as fit for the river Hooghly. Should we, at any time, says he, allow the French to get the superiority at sea, in the East-Indies, the consequences would be, the

for establish-
ing a naval
force in In-
dia, equal to
the defence
of our settle-
ments.

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loss to England of about 66 sail of East-India ships, which might be turned into a marine by our natural enemy, and thus give France a decided naval and commercial superiority *. France, besides, he adds, has about 10,000 men at the islands, though a garrison of 600 men would be equal to the defence of them. This force they have sent to India in the ships *armée en flute*, each ship generally, has 200 assigned it, but could easily take in 400, and thus give them an army of 20,000 Europeans. Pondicherry had been made almost impregnable, and if this force should march from it, assisted by 40,000 native troops, either levied by the French, or obtained from Hyder Ally, they not only could drive us out of our possessions, but add Hindoostan to the French empire. It has been erroneously supposed, he says, that Nadir Shah had left no riches to be gleaned up by a future conqueror; for such a force as has now been alluded to, could easily collect what would defray the expenses of a war in India, and leave the conquerors either to be sovereigns of the Peninsula; or to retain the native Princes as their tributaries. That America (his Lordship observes) will, sooner or later, become independent, there can be no question; and if France shall be able so to dupe Spain as to induce it to give the Americans assistance, then France might add to our Eastern, our American loss, and reduce us to become an insignificant power

* Lord Clive supposes the Dutch, Danes, Swedes, and Portuguese to have about 198 sail of trading vessels to and in the East-Indies, and concludes that they too would fall a prize to the French, if that power should be able to drive the English from the East-Indies.

in Europe. The cession, indeed, of New Orleans, by France to Spain, he thought was a measure obviously calculated to keep up the jealousy between that kingdom and England; and was intended to prevent the latter from any ambitious designs on South America.

IN illustration of these striking remarks, the following observations and directions, with respect to the conduct of Great-Britain, are scattered over this irregular but masterly memoir.

THE late treaty (1763) restored France to her *comptoirs* in the situation they were then in—The district round Pondicherry did not yield a revenue of £.5000 per annum—The prime cost of all her trade upon the coast did not exceed £.60,000 per annum; and yet she was erecting fortifications at the expense of half a million, and had a garrison maintained at more than the expense of all her Indian revenues and prime cost of her eastern trade.

Political measures of the French in India.

THE French islands, he observes, lie out of the tract of our ships. Transports, with 500 men on board, steal out from them without the possibility of our knowing it, till they are landed at Pondicherry. France was extending her settlements at Madagascar, and could draw from them any quantity of provisions. The inference was obvious, that France was preparing for a vigorous effort to recover her superiority in the Carnatic.

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HYDER ALLY, he adds, is disposed to second the views of France, and is in a condition to do so. Turning then the eye from Cape Comorin (the southern point of Hindoostan) to Cattack and Ballasore, and from this Cape to Nellore, the sea coast is so much under our influence, that there exists no power on it capable of giving assistance to the French but Hyder Ally. From Nellore to the northern provinces, which extend as far east as Ganjam (the Soubahdar of the Deccan excepted) there is no power within 150 miles of the sea able to second them. The country of the Berar Mahrattahs begins on the northward of Ganjam, and stretches along the coast to Cattack and Ballasore, from whence the Bengal provinces may be entered. The boundaries of the Mahrattas extend northward to the Caramnassa, the limit between us and Sujah Dowlah's country. Through the whole of this last space, there is no other power within 600 miles of the sea, from which France could derive effectual aid.

His idea of securing to Great Britain the balance of power in India.

IF then the object of Government is to render the Company's possessions permanent, the following political and military measures are obvious. There should always be, in the treasury of Bengal, ready for any emergency, not less than 100 lacs; and, in that of Madras, not less than 50 lacs of rupees, agreeably to the plan of Mr. Verelst. Whoever can pay an Indian power has its assistance. Hyder Ally should be offered almost any terms to detach him from the French interest, and if he shall refuse to accept of them, we ought to crush him entirely, and at all events. A body of the Mahrattahs should be taken into

into pay, (and they can at all times be bought for a sum of money) to second our plans; this measure would prevent the French from obtaining a hold of that interest. The conduct of France, at Pondicherry, should be narrowly watched, to prevent their giving to that place the appearance of such consequence to the country powers as might induce them to prefer an alliance with its possessors to one with England, and might check the efforts of our rival in forming Indian alliances. The northern provinces should, at all events, be secured; so that, if the French should attempt to carry the war into the Carnatic, they might not be able to use Hyder Ally as the ladder by which to climb to a sovereignty in India. With this view, Cattack should have been obtained from the Mahrattahs, and the English would then have possessed the sea coast from Bengal to Cape Comorin. At all events, the fortifications of Pondicherry should be kept in such a state as to be at our mercy, the moment that a war is declared. If this were done, it would be impossible for the French to raise, or discipline an army of natives, or to fit out a field train and equipage. If, on the contrary, Pondicherry be allowed to become sufficiently strong to resist us, or if we wait quietly till a war should be declared, and till Hyder Ally can be brought to the assistance of our enemies, our destruction would be inevitable. Should France ever be able to land a body of Europeans (and the case may be put) sufficient to meet our forces in the Carnatic, a battle ought always to be avoided. An enemy rendered desperate, may overcome difficulties that appear insurmountable. An enemy, too, that attacks, always fights

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with more spirit and resolution than an army that defends, and has the possibility of a retreat. If the French were superior in Europeans they ought to be opposed by a body of light infantry, and artillery, and by such number of cavalry as we could afford to pay; the main body should be perpetually harassed; their detached parties cut off; and death be made the immediate consequence of any of the natives supplying them with provisions. However formidable their numbers might be, and supported by whatever squadron, this conduct, on our part, would necessarily and soon oblige them to reembark. Should France attempt an attack on Bengal, and even could it land 10,000 men in that country, unassisted by the natives, the project would be superlative madness. If it even were supposed that they could reach Calcutta before the climate had effected their destruction; if they even should make themselves masters of that Fort, the English would have the obvious resource of sending the inhabitants (black and white) up the country, with their riches and effects; and, by harassing the parties which the French must send out for provisions, could soon render it impossible for them to maintain that station. To provide against such an emergency, however, parties ought to be stationed on both sides of the river, at proper distances from each other: this would make it impossible for the enemy either to surprize us, or to bring us to a general action. Had Sujah Dowlah, in 1757, pursued this conduct, avoided a general action, and refused to conclude a treaty, neither our army nor our fleet could have remained three weeks at Calcutta.

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III. Opinion
on the im-
provements
competent on
the judicial
power.

4. THE judicial powers exercised by the Company in their new settlements required to be completely new modelled. The town of Calcutta, alone, comprehended from three to four thousand inhabitants, subjects of the East-India Company; law-suits were numerous and endless, and conducted by ignorant, petty-fogging attornies, who were scandal to their country, and a disgrace *even* to their own profession. Numbers of them had been originally serjeants in the army, or purfers to ships; and yet many of these wretches cleared £2000 per annum by their business. To remedy this evil, Lord Clive recommended, that the Company should be authorized to send out an Attorney-general, with some able lawyers, for the purpose of new modelling and regulating the courts of justice. With the assistance of the Governor-general and Council, these lawyers might be directed to form their opinions on the course of justice proper for our settlements, and to point out the defects, as well as proper remedies, that the Legislature might, with proper information, form the whole into a system. He concludes, with observing, “that the attempt
“to introduce the English laws, throughout our posses-
“sions, in India, would be absurd and impracticable.”

Inferences
from this re-
view of Lord
Clive's plans,

ON this interesting memoir, considered, either, with reference to the time at which it was written, or to the events which have happened since that period, the following observations rise naturally to view;—

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respecting the
revenues and
trade,

1. *THE home system*, which Lord Clive proposed, proceeded from his conviction, that a connexion must be formed between the Court of Directors, and the executive Government; as the former was not competent to the political measures which the safety of our new dominions required; and the latter was not qualified for the management of the commerce which was to render our acquisitions profitable to the Public. The revenues, he held, to be so interwoven with the credit and trade of the Company, that, even in their then situation, it would have been impracticable to have deprived them of the one, without destroying the other; the Company being the Proprietors, the Directors ought to be left in the management of their commercial transactions.

respecting the
sources of pecu-
lation, &c.
in India,

2. *THE* Governors, Members of Council, and principal servants should have fixed allowances, and ought not to be indulged in perquisites of any kind. It was from their having certain perquisites, that all the peculations and frauds, in India, had arisen; and it was from the independency of one of the Presidencies of the other, that each pursued its own interests, and none regarded the interests of their employers. Hence the anarchy, in India, became general. His opinion, therefore, of rendering the other Presidencies dependent on Bengal, may be considered as the source of the present system of Indian administration.

respecting the
resources and
alliances re-
quired for the
Company,

3. The measure, which he recommended, ~~of~~ having a fund in the treasuries of Bengal and Madras, equal to any exigency,

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exigency, in India, discovers to us the situation of our settlements, at that period, and his notions of the alliances, which we ought to form, and of the enemy we ought to crush, almost seem prophetic of our present situation, and to be the rudiments of our present political system.

4 THE plan of rendering the Company's ships a marine, equal to the repulse of any sudden attack, has in a great measure been since adopted, by employing ships of much larger size, carrying a sufficient number of guns for defence.

respecting a
naval force
in India,

5. THE plan of having a corps belonging to the Company; in England, was, certainly, at the time, the only practicable measure by which recruits could have been procured for that service, and might have prevented the complaints, which have been frequently made of the deficiencies of our European corps. Events have shewn the necessity of keeping up a large European force, in India. It might be impossible, from circumstances, to send reinforcements, at a proper time to so distant a possession. It might be lost before they could arrive. "The minister, (says Lord Clive) who could see a force collecting upon the coast of France, and yet delay preparations for war, till that country had declared it, would be unequal to the trust reposed in him."

respecting the
military
power in In-
dia,

6. THE hints thrown out, on the necessary reformation which ought to be made in the courts of justice, in Bengal, discover to us, that, however simple the principle of natural justice may be, and however perfectly it may have been

respecting a
judicial
power in In-
dia.

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been copied, in the laws of England; yet, it was impracticable, to introduce those laws as the measures of right and wrong, in Hindoostan. The laws of that country, as well as the courts of justice, proceeded from a government perfectly opposite, in its spirit, to that of England, and the application of them, had become familiar to the people, through customs not less dissimilar to ours: time has shewn us, that we may improve on, but cannot alter, the Indian jurisprudence. Though the laws of Rome furnished a fine system of written jurisprudence, to our ancestors, they preferred their own common law to this model; and yet, the one had sprung from the refined maxims of the Stoics, and the other, from the military establishments of the Goths.

The defects in the home system of Indian affairs, the source of corruption in the foreign administration of them; and this, in its turn, the source of numerous and opposite plans for new modelling and improving the whole.

Soon after the Company acquired the sovereignty of the territories in India, their inability to punish their Servants for disobedience of orders, other wise than by dismissing them the service, and ordering them to be sent to Europe, rendered their authority unequal to the prevention of abuses. Under successive administrations the power was so divided, by party spirit, and personal animosities, that little obedience was paid to the orders of the Directors; nor was any benefit derived from the remedies proposed. Scarcely had the supreme power been given to the presidency of Bengal, and the supreme court of judicature been established, when parties, in that settlement, took a decided form *. Whatever

 was

* Though the parties, in the other councils, were not equally violent with those of Bengal during the early period of this new system for India; they became so some

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was proposed by one, was opposed by the other; we shall suppose from the best motives; but, it must be allowed, with the worst effects. These circumstances, however, have had one use; each party was suggesting plans for the better government of India, and regulation of our trade to the East-Indies; and all were sending them home as proofs of their zeal in the service, and of the local information which they had acquired. As yet, the knowledge of Indian affairs was not sufficiently diffused to enable those who were entitled to judge of them, to pronounce, on what was the best for the public interest.

THESE propositions have been collected and methodized, under the several questions which were proposed to be examined. We shall therefore state these questions, in the order of the subjects, rather than in that of chronology; subjoin the remarks of Mr. Lind, who examined them;* and compare the whole with the events, which, since that period, have afforded fuller information of Indian affairs.

These plans digested, by Mr. Lind, and the subjects of them stated under a succession of questions.

1. On what political principles can Bengal, Bahar, and Orissa be held by Great Britain?

1. Question, upon what political principles can the Indian provinces be held by Great Britain?

years afterwards, and thus hastened on the active interference of Parliament in introducing a controul of the state over Indian affairs.

* Mr. Lind, a counsellor at law, was employed to examine these plans and opinions, with directions to reduce them to order, and to state the result of the whole.

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As the Committees of Parliament were, at this juncture, carrying on their enquiries to ascertain the value of the British territorial acquisitions in the East, and to discover the extent of the errors into which the different Governors and Councils had fallen; the attention, of all parties, was turned to the general point of fixing the *principles* upon which our eastern dominions could be rendered efficient parts of the empire. All the plans agreed in the following particulars: that the distinction between Nizamut and Duannce should be abolished; that there should be but one Supreme Government in the British possessions in India; that the sovereignty of the state, over the whole, should be declared; and Bengal, Bahar, and Orissa made British provinces. The difference in opinion chiefly arose on the mode of ascertaining the claims of the Company upon these provinces. In the discussion of this subject the most opposite opinions were given.

Opinion of
Mr. Francis.

MR. FRANCIS thought, that the Company, by its constitution, was unfit for the exercise of the sovereign power in the East; but as it was questionable how far this power could be held in the name of the King, it would be better to keep it in the name of the Company.

Opinion of
Mr. Cham-
bers.

MR. CHAMBERS* thought, that the Company should hold their possessions of the King, but not of the Mogul; that, at the same time, their engagements with the Mogul should

Now Sir William Chambers.

be

be declared to be valid, in a proviso of an Act of Parliament, and that a compensation should be made to the Mogul for the loss of the revenue which the Company had stipulated to pay to him. If this plan could not be followed, he was of opinion, that the King might consider the country as a conquered one, and that the Company had held it in consequence of an agreement with his Majesty and the Parliament. In this case, the treaty of the Company with the Mogul must be declared to be founded in error, and that the nation, as such, was not engaged to fulfil this treaty, nor to pay a tribute for their possessions to a foreign prince. The whole of these principles he recommended to become the subject of parliamentary discussion; and, to facilitate their coming to a decision upon them, he thought that the Soubahdar would be contented with some honorary distinction, and with a pension equal to what he received from the Company.

To this proposition *Mr. Francis* objected, that the natives considered the Mogul to be their lawful king that we had collected the revenues and coined the money in his name; that it was difficult to conceive how he could be divested of privileges, acknowledged, in the subsisting treaties between him and the Company, unless some negotiation should be opened, by which he would agree to cede his rights to Great Britain; and the King and Parliament, in return, to form for him a respectable dominion. These opinions he illustrated by observing, that though the rank of the Soubahdar had become titular; yet, as justice was admi-

Objections to this last opinion by Mr. Francis.

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nistered in his name, by the Naib-Soubahdar, the rank must still be kept up; that the Company had guaranteed these rights to the late Soubahdar, his heirs and successors, and had stipulated to pay him a pension of 32 lacs of rupees, since that time reduced to 16 lacs; that many of the first families depended on the Soubahdar and his Naib for their pensions; that the Fouzdarry courts comprehended all the offices in which Mussulmen could be employed. Notwithstanding these remarks he, however, thought that the sovereignty of the King, if declared, would entitle his Majesty to assume the Soubahdarry.

Opinion of
Sir Elijah Im-
pey.

SIR ELIJAH IMPEY proposed vesting all the territories in the King; but that the Act should have a number of saving clauses in favor of the Nizam, the Indian Princes, the foreign factories, &c. &c. which would have left the sovereignty as complicated as it found it.

Remarks of
Mr. Lind up-
on the whole
of these opi-
nions.

UPON these opposite opinions Mr. Lind makes the following observations: That as, by the constitution of Great Britain, the territories belonged to the crown, the preamble to the bill should state the claims of the Company, and of the native princes, on the conquered territories; that the bill should declare the sovereignty to be in the King, and specify the situation of the natives, who are become our subjects, but not to be governed by the laws of England; that it should vest the Governor General with power to treat with the Mogul for his rights to the provinces, and grant pensions to the Soubahdar, &c. as compensations for the

the rescinded treaties between them and the Company; that the Company should surrender, by a deed in Chancery, their possessions, and former charters; that His Majesty should accept of them, and grant a new charter, conformable to the spirit of the bill, vesting him with the sovereignty; that the privilege of the exclusive trade should be continued to the Company for fifty years; and that they should be furnished with such sums for their investments as might be necessary, upon their giving their bills, payable in England, into the Exchequer, twelve months after sight. If this system should be rejected, and the sovereignty still be exercised, through the medium of the Company, then, that His Majesty should be empowered to grant them their possessions, for a certain time, and their exclusive trade, renewable only by Parliament; in return, that the Company should lend the Public two millions, without interest; that an account of their receipts and disbursements, in England, should be annually laid before Parliament; and that out of their profits realized, a per centage on their capital stock of £3,200,000 should be paid into the exchequer, at the disposition of Parliament; the same proportion on the said sum to be paid to the Proprietors as a dividend; that the revenue should be divided, one moiety to be paid into the exchequer, another to be applied to the discharge of their bond debts; after the reduction of which, a moiety should be lent to the Public, at a low interest: and that accounts of the revenues and charges, civil and military, abroad, should be annually laid before Parliament.

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2. *In whom is to be vested the Supreme Executive Power?*

2d. Question,
in whom is
to be vested
the executive
power in
India?

THE answers to this question brought forward discussions on the constitution of Great Britain, and Mr. Lind places them in the following order :

Opinion of
Mr. Cham-
bers.

MR. CHAMBERS was of opinion, that, for the purposes both of war and of peace, it would be expedient to give the same powers to the Governor-general and Council, which are vested in the King, when he acts by the consent, and with the advice of his Privy Council; but that this power ought to be guarded, with certain provisos, viz. Such governors should have none of the exemptions or immunities incident to the royal character; none of the rights which arise to His Majesty, from his prerogative of ancient possession; none of those which are proposed to be given to the Supreme Court of Judicature; no power of pardoning criminals, condemned according to the forms of the English law; no power of conferring any rank, known in Britain, except on their own officers; but a right to give the rank of *Rajah* to a Hindoo, and of *Nabob* to a Mahomedan. There were certain ancient executive rights of the Crown, which were abolished, at the time the constitution of Great Britain was settled; and it might be expedient, to revive them in favour of the Governor-general and Council. Such were the powers of securing suspected persons; the power of obliging them to quit our territories, unless they belonged to some European prince, or state, to whose factories, they ought to be sent; the power

to

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to guard the limits between the British and the neighbouring provinces, and between one British province and another. He proposed also, in certain cases, to give to the Governor-general a negative voice on the acts of the Council; such as, in determining on the means to be used in quelling a sedition, or for repelling an invasion. In general, that his powers should be similar to those possessed by the Dutch governor at Batavia, with a responsibility for the manner in which he might exercise them.

SIR JOHN CLAVERING, in his correspondence of 1776 and 1777, advised, that the Governor-general should have the power of entering a *noli prosequi*, and of suspending capital punishments, till his Majesty's pleasure should be known; that he should have the power of prosecuting suspected persons in the Supreme Court of Judicature, provided that they were not natives; that he should have the power of laying on an embargo, of impressing men, and ships, of forming a militia, and, above all, that whatever powers were conferred on him, they should be distinctly defined and marked out.

Opinion of
Sir John Cla-
vering.

ON these opinions, Mr. Lind has made the following remarks; that in viewing the history of the revenues of Bengal, &c. as far back as the reign of Acbar, in 1573, the rent-roll had amounted to 1,49,61,482 rupees; that from the accounts of the Company, Bengal had furnished one million two hundred thousand pounds, annually for investments, after defraying all civil and military charges; and that

Remarks of
Mr. Lind
upon these
opinions.

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that the northern circars, and our possessions on the Coromandel coast, may be expected to furnish half a million more; that while the importance of these possessions, may lead us, on the one hand, to adopt the strongest measures, these measures, on the other, ought only to be such as will accord with the customs and prejudices of the inhabitants; that the government of the Hindoos had been absolute, while that of the Mahomedan conquerors had been still more so, and yet, that both had preserved the rights of the Zemindars and of the Ryots; that so far were the Ryots from considering this species of government to be an evil, that they looked up to it as the only one which could protect them against the oppressions of the Zemindars, and inferior Mussulmen officers; that, therefore, any immature plan of reformation, foreign to the characters of the people, might have the tendency of depriving Great Britain of its new dominions. On these accounts, he recommended, that the executive power, to be given to the government of Bengal, should approach nearly to that of the ancient Soubahdars, and should not be defined by the Governor *and* Council, but by the Governor *in* council, and that he should be styled His Majesty's Lieutenant Governor-general and Captain-general of all India, receive his instruction, under the sign manual, or from the Lords of the Treasury; and be assisted by seven Counsellors to be appointed by the King. In the event of the death of a Governor, he proposed, that the senior member of council should preside, till His Majesty's pleasure should be known; that a secretary should be appointed by His Majesty; who, in the event of

his

his misbehaviour, might be suspended, or removed by the Governor-general and Council. In the event of the death or resignation of the secretary, that another might be named by them, till His Majesty's pleasure could be known. He thought the counsellors should be bound, by an oath, to attend to their duty diligently, not to divulge secrets, nor the advice which they may give to the Governor-general; the same oath, he thought, ought to be taken by the secretary, who, in particular, was not to divulge secrets, unless required so to do by act of parliament.

MR LIND recommended, that the Governor-general should have the power of summoning the Council; but not that of making war or peace, with any Indian Prince, nor of laying on an embargo, nor of doing any public act of Government, till he should first have assembled the Council, and communicated the substance of it to them. That three of the members of Council should be present, on such an occasion, and sign the minutes of their proceedings, and that the copies and extracts should be authenticated by the secretary; that all orders should be carried into execution in the name of the Governor, with the advice of the Council, and be signed by him; that if any difference of opinion should arise in the Council, each member should have the right of giving his sentiments, in writing, should sign it, and have it recorded; that copies of such opinions, authenticated by the secretary, should be transmitted, with the resolutions, to which they referred, to the Lords of the Treasury and to the Court of Directors. If it should so happen,
that

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that the Governor-general should propose any resolution from which a majority, or the whole of the Council dissented, then, that he should require the reasons of such dissent to be given in writing, and to be signed by the dissentient members ; that the Governor should, then, dismiss the Council, but summon it to meet in twenty-four hours, taking care, if any member of the Council shall have been absent, to summon him, and to furnish him with a copy of the resolution, which had been dissented from ; that when the Council re-assembled, the Governor should order the resolution to be then read, and call upon the youngest of the dissenting members, again, to give his opinion. If he, and the other members called upon, according to their seniority, should still continue to dissent, or if one of the members, together with the Governor, should assent (supposing three members and the Governor to be present) or if two should assent, supposing the number present to be four or five ; or if three should assent, supposing the number to be six or seven ; then the resolution should be carried into immediate effect. If, however, it should so happen, that the whole Council should differ in opinion, from the Governor, after he should have heard, and ordered the reasons of the dissent to be recorded, then, if he still continued of the same opinion, he might stand up in his place, with his head covered, and laying his right hand on his breast, declare, that in his judgment and conscience (or if a peer, upon his *honor*) it would be for the good of His Majesty's service, the safety of the state, and the welfare of the King's dominions, that the resolution proposed, should be carried
into

into execution. The resolution ought, then, to be recorded by authority of the Governor, and become as valid and binding as if it had passed with the advice and consent of the Council. Four copies of the resolution ought immediately to be made out, and signed by the Secretary, two of which should be sent to England, by different routes, over-land ; another by an express vessel, and the fourth, by the first chartered ship, to the Lords of the Treasury ; and, along with each, copies of the reasons of dissent, as they had been given into Council, by the different members.

MR. LIND thought, that it should be enacted to be lawful for the Governor and Council, in His Majesty's name, to declare war, or to conclude treaties of peace, to enter into treaties of commerce and alliance with Indian Princes or states, to levy and discipline troops, and to order them on service against any of His Majesty's enemies.

HE was of opinion, that the Governor General ought to be entitled to direct the Attorney General to enter a *noli prosequi*, in cases prejudicial to His Majesty's service, or to the interest of the Company. The Governor, also, ought to have the power of suspending capital punishments, till His Majesty's pleasure should be known. He should be authorized to seize on, and secure suspected persons ; and, upon examination, after finding that his suspicions were supported by evidence, to oblige them to quit the British territories. It would be expedient, also, that the Governor should have the power to stop and examine all persons who are not

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possessed

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possessed of proper passports; it being understood that this power should not extend to officers who may have the King's commission, to the members of the Board of Trade, nor, in general, to the covenanted servants of the Company; unless, upon information, supported by credible witnesses, they should be accused of crimes, to be tried in the Supreme Court of Judicature. He thinks the Governor-general ought not to be liable to be proceeded against, by indictment, in any Court in Bengal: but if charged with treason or felony, and the charge supported by the oaths of two or more credible witnesses, that then he should be sent to England, to be tried in the Court of King's Bench. The more fully to guard against the mal-administration of the Governors, in the different presidencies, they ought to have ample salaries, and to be prohibited, under the severest penalties, from having any concern in trade, in loans, or in contracts.

3d Question.
Under what
restrictions is
the power of
subordinate
legislation to
be exercised?

Opinion of
Mr. Cham-
bers.

3d. *By what Persons, and under what Restrictions is the Power of subordinate Legislation to be exercised?*

MR. CHAMBERS was of opinion, that though no inconveniency had hitherto arisen in Bengal, &c. from the powers exercised by the Governors and Councils, of making bye-laws; yet that it might be expedient to form a General Assembly with legislative power. That this assembly ought to consist of three distinct parts, viz. the Governor-general, the Supreme Council, and the Supreme Court of Judicature;

Judicature; that it should have the power of enacting laws for Natives and Europeans, and of enforcing obedience to them by capital or other penal sanctions, provided such laws should not be contrary to the authority of the King and Parliament; nor contrary to any established law in England. The consent of each of these constituent parts ought to be obtained before any law can be deemed valid: it ought then to be transmitted to England, in the same manner as the subsisting bye-laws had been, for His Majesty's approbation or disallowance.* He proposed that the Governor should be vested with the power of convening, proroguing, or adjourning this assembly. In all matters of public concern, its members ought to deliberate together, but to give their votes as separate bodies. Reserving to the Judges the liberty of retiring to any other place, and deliberating apart. The act of the majority of any one branch to be considered as its voice; and no act of the legislation to pass unless there should be present, besides the Governor-general, *three* members of Council, and *two* of the Judges. For the purpose of recording the proceedings of this assembly, there should be a clerk, to be chosen and removeable by the assembly; and it would be expedient that this clerk should also be secretary of the revenue branch. In case of any division in the council, it would be proper that the Governor should have a negative on their resolutions; and if their votes were equal, the casting vote.

* Agreeably to statute 13 Geo. 3d. cap. 63. sec. 37.

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Opinion of
Mr. Hastings

MR. HASTINGS embraced the same opinion; but proposed, that the Assembly should consist of two branches only, viz. the Governor-general and Council, and the Supreme Court of Judicature; and that, jointly, they should form a Supreme Court of Revenue, under the title of *Sudder Duannee Adaulat*.—That, in this capacity, the Assembly ought to meet weekly, without summons, or oftener, if business should require it, upon the summons of the Governor.

Opinion of
Sir Elijah Im-
pey.

SIR ELIJAH IMPEY adopted and explained more fully this system of Mr. Hastings, and proposed to give to the Assembly, so constituted, the powers of enacting laws, and of enforcing the observance of them by capital or other punishments; of regulating the police and taxes in Calcutta; of laying duties on export, import, and transit trade; of enacting rules for the practice of courts of justice; and of erecting new courts of justice, with such authority as the situation of the different districts might require.—That the exercise of these powers might not be abused, he thought no law ought to pass unless three members of the council, and two of the judges were present. And that a majority of the voices of each, should be requisite to give their decisions the force of law. That such law should not be in force till thirty days after it had been registered, and English and Persian copies of it been affixed in the Court-house of Calcutta, and in the inferior courts. That it should not be competent to the Assembly to introduce any punishment for crimes committed by His Majesty's European or Armenian subjects, that was unknown in England, nor to institute any criminal prosecution against them, unless by a jury, in the Supreme Court,

or

or in courts of *Quarter-Session*, held by a justice of the peace. From these privileges, however,* he wished to except the class of Banditti, called Dekoits. That the Judges should transmit the laws passed in this Assembly to the King and Council, and that the Governor-general, should transmit copies of them to the Directors. After His Majesty's approbation, or disallowance of the law should be returned to Calcutta, he proposed, that it should be published in the same manner as the law originally had been, and that every person might have the power of appealing from a law so passed within sixty days after its publication in Bengal, and within the same number of days after its publication in England.

MR. LIND makes the following observations upon these opinions. He thought that no inconveniency had arisen in Bengal, &c. from the Governors and Councils, &c. not having legislative powers; and that parliament was not called upon to enact laws for a new colony, but only to grant more extensive regulations for a people, who had long had a constitution of their own; that the British subjects in Hindoostan having been habituated to law courts, corresponding to those in England, they would have no confidence in any legislation, but that which was known in the mother country. That laws established by this new body might be inconsistent with the manners, customs, and interests of the natives. That, by these propositions, many of the same laws might be applied to His Majesty's European, Armenian, and Native subjects. Of the two first of these classes numbers resided within the Ditch at Calcutta, and very few without it; and

Mr. Lind's
Observations
on these opi-
nions.

of

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of the last class, many were far removed from the seat of government, and could not be made to comprehend the meaning of the laws to which they were to be subjected. He thought it a species of absurdity, that men, who were strangers to a people, should be vested with the power of making alterations in their laws, particularly in the criminal branch of them, and more so in the sanctions by which these laws were enforced. He conceived that, in this opinion, he was supported by the distinction which Sir Elijah Impey proposed, between the punishments applicable to His Majesty's European or Armenian subjects, and to the Natives*; and, upon the whole, that the objects of this legislation ought to be few and simple, and such as might safely be entrusted to the Governor and Council, who should be invested with power to make and issue rules and regulations for the good order and civil government of the provinces, and collection of the revenues; leaving the laws of England, as the rule for His Majesty's subjects, and the laws of the country for the natives. He saw no impropriety in giving the Governor-general and Council, the power of making assessments, and levying taxes within the town of Calcutta, to such an amount as might be necessary for the maintenance of the police; nor did he think it inexpedient that they should have the power of proportioning the duties on import, export,

* In a note, Mr. Lind supports his opinion by the case of Nundcomar, about which there has been so much controversy; and by a case mentioned by Mr. Francis, where an Indian having caught his wife in adultery, punished her, agreeably to the customs of the country, by cutting off her nose, and yet was tried for this deed by the laws of England, and hanged.

and transit trade; but that the rules in this case, ought to be deliberately established, by being read at *three* different meetings, and then signed, and approved of by the Governor. He concludes, that the judges ought to have no voice in the Legislative Council, in which they should be called upon, to give advice only, and be assisted by the Roy-Royan, superintendant of the Khalsah, Chief Canongoe, Chief Pundit, and Chief Moulavie. Whatever regulations might be enacted, he agreed, that they ought to be first published, a certain time, before they were in force; and next transmitted to England for His Majesty's approbation or disallowance.

4. *Under what title, and in what manner ought the territorial revenues to be collected?*

4. Question, under what title, and in what manner ought the territorial revenues to be collected?

MR. FRANCIS and GENERAL CLAVERING agreed, in considering the answer to this question, as involving in it all the circumstances upon which the preservation of our Indian possessions depended. Mr. Francis thought that the Company had been in an error, both in considering the Mogul, to be the proprietor of the soil, and in making this principle, the foundation of exactions, which, though calculated for the exigencies of the moment, must ultimately produce the ruin of the country. From the records of the Khalsa, from other authentic documents, and from the information of the oldest servants of the Company, the progress of the revenue had been as follows: In 1573, Acbar conquered the Bengal provinces and Rajah Toorel Mull

Historical facts upon which Mr. Francis and General Clavering formed their opinions?

formed

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formed the jumma bundy, or rent-roll, for the empire. He let the lands to the Zemindars, on a moderate quit-rent. The *jumma*, for Bengal, including the Circars of Orissa, was 1,49,61,482—15. 2. rupees. This sum differs little from the rent raised by Sujah Chan, in 1728, but is a crore less than the lands were assessed at in 1775. The record of this jumma was called *turmar*; *turmar-jumma* then meant the rent-roll, and was also called *aufil* or the original *jumma*. On this, a *tuckseem*, or division account of the soubah was formed, shewing the proportion which each zemindary, pergunnah, village, &c. was to bear. The hereditary office of Canongoe was then established. This officer was to keep the accounts of the turmar and tuckseem. In all transfers the turmar-jumma regulated the new grant. The jaghires of the Munsubdars were portions of this jumma, and the fees of the Canongoes are still calculated upon it. The limits of property again were divided, by reference to the tuckseem, and the mode of collection was simple. The Zemindar paid the rent at the treasury; if he did not, a temporary attachment of the lands took place. It is not known, whether the Zemindars were required by Government to give pottahs, or leases, to the Ryots; but it is certain, that the *aufil*, or *ground-rent*, was the first thing specified in settling the proportion of the tuckseem, to be paid by a particular tenant, and that upon it, also, all other taxes, whether permanent (Aboab) or occasional (Muthote) were proportioned; and that the Ryot could not be dispossessed, so long as he paid his quit-rent. Such were the rules, till the termination of the power of Sujah Chan, in 1739 or 1740. Though the Soubahdar frequently extorted sums from the Zemindar,

by way of a free gift, the jumma was invariable. In the time of Aliverdi, who cut off the son of Sujah, the Zemindars were so rich that they assisted him, during his wars with the Marhattas, with a crore and a half of rupees. He and his successor Surajah Dowlah were the first who added the aboab or occasional taxes to the jumma, and by that encreased the ground rents; and hence all temporary taxes of this nature began to be made permanent. The jumma under Sujah Chan was 1,01,38,006 rupees; under Surajah Dowlah 1,38,12,443 rupees; under Cossim Ally 1,86,59,720 rupees. The nett rent proposed in 1776-7 was 1,77,73,775 rupees. The sum actually collected was 1,36,88,614 rupees. When the Duannee was ceded to the Company, the ancient establishments had been overthrown by Cossim Ally, the Zemindars dispossessed of their rights, and reduced to beggary, and wealthy families brought to ruin. The amount, however, demanded for revenue and for investments was daily made greater, and men of low rank and desperate fortunes employed as aumils to collect it. After the crop of the Ryot was on the ground, a new muthote was laid on, and the improved made to pay for the deficiency of the unimproved land. Those emoluments which many of the natives had drawn from offices, in their districts, were seized on, and fines imposed upon them, which went into the general fund. The decline of resources, necessarily resulting from such oppressions, were pointed out both by Mahomed Reza Chan, and by the most intelligent of the Company's servants. Supervisors were, therefore, appointed to make accurate statements of the profits of the Zemindar,

CHAP. I. Farmer, &c. all was swept into the treasury; and the supervisors, instead of being a relief, laid the foundation of new oppressions from having proceeded upon a valuation of the whole rents, including the profits of the Zemindar, Farmer, &c. Nor was this evil (says Mr. Francis) remedied by the committee of circuit, appointed to succeed the supervisors; for by letting the revenue to adventurers, they increased the nominal rent, but the increase was only nominal, for a balance remained due from 1772 to 1776 amounting to at least a crore of rupees. From these observations, he concluded, that the Company had levied higher rents than the country could pay; and that, from the leases being uncertain, and taxes increased, as land was cultivated, all incitement to industry or improvement had been taken away; the Zemindar rendered desperate; and the leases of the Ryots, from this confusion, had become unintelligible.

Remedies
proposed by
them.

To remedy these evils, Mr. Francis proposed that the *jumma*, or rent-roll, should be fixed, recorded as unalterable, and published to the people. That the whole demands upon the country, including Ghazipore, should be founded upon an estimate of the civil and military expenses, the amount of investments and of contingencies*. That

* Mr. Lind, in a note, refers to two estimates where an unappropriated balance would remain of 37,99,043.15 rupees, for unforeseen events; but General Clavering, thought that many of the articles for service were calculated upon too narrow a scale, and therefore he was against the remission of 10 per cent. on the collection. Mr. Lind observes, that the estimate of charges for the civil establishment was too high.

every possible relief should be given to the renters of the Duannee lands, both on account of the distance of them from the capital, and of the poverty of the inhabitants. With the view of illustrating these propositions, Mr. Francis thinks, that the medium receipts, of the last three years, ought to be taken as the rule for assessment, and that all temporary contributions ought to be abolished. That the *tuckseemy* ought to be formed, and a copy of it given to the cutcherry of each district. That regularity of payment should be made the tenure upon which the Zemindar was to hold his lease. If this tenure should not be fulfilled, then that a part of the zemindarry should be sold for payment of the rent, and the balance paid back to the proprietor. That in all such sales, a preference ought to be given to the next heir of the Zemindar, but if such heir did not appear, or claim, then that a temporary duan, or steward, should be appointed; but, at the same time, be declared to be incapable of becoming the purchaser. That the law respecting the inheritance of zemindarries ought to be altered, in so far, that when a zemindarry was more in value than two lacs, Government might divide it among all the sons of the late proprietor; when less, vest it in the eldest; but, in this last case, oblige him to grant allowances for the maintenance of the younger sons.

MR. HASTINGS agreed with Mr. Francis in these last propositions, but General *Clavering* thought, that the adoption of them would be a dangerous experiment, and at all events, a fruitless one, because it would be in opposition to the

Opinion of
Mr. Hastings.

CHAP. I. ancient customs of adopting sons, from which the Zemindar never would, willingly, recede. To obviate this objection, Mr. Francis thought, that a court of wards might be instituted; but this General Clavering considered to be an expedient not less hazardous than the preceding one. Mr. Francis was for stopping the sums allowed by Zemindars, upon the restoration of their rights, and that an enquiry should be instituted into the foundation of the whole of their rights, and a term of prescription fixed on, after which, all lands held as charity lands might be resumed. Sir John Clavering considered the resumption of charity lands, to be a subject of great delicacy.

Observations
of Mr. Francis
on it.

WITH respect to the Ryots, *Mr. Francis* thought, that Government should prescribe a form for the *pottahs*, or leases, which the Zemindar gave to his tenant, and that in it, he should be obliged to grant so much for every cultivated beegah, varying the sum according to the value of the soil or situation, without any reference to the aboab. That the superior of the district ought to see this pottah properly authenticated, by affixing to it, first his own signature, then by having it recorded by the Canongoe, or the officers of the Cutcherry, and that the Ryot ought to have a signed account of his jumabundy, for every year's rent, with a release annexed on compleating his payments.

Observations
of Mr. Lind
on the whole.

Mr. Lind observes, upon the whole of these propositions and opinions, that, in theory, they may be unexceptionable, but that, in practice, they are not possible. He therefore
advises

advices, either that the Zemindars and Ryots should be restored by act of parliament; or that an act should pass empowering the Governor-general and Council to restore them. If neither of these propositions should be adopted, he recommends, that His Majesty should give it in instruction to the Company to adopt this last salutary measure.

5. *How are the other Revenues to be collected?*

5. Question.
How are the
other revenues
to be
collected?

Opinion of
Mr. Hastings.

THE most valuable part of the revenue comprehended in this indefinite description, was that which arose from the salt works. Upon this subject *Mr. Hastings* was of opinion, that till such time as a settlement of the lands could be made, no practicable plan could be formed for rendering the revenue from the salt works productive. The state of this monopoly, in 1781, he says, was as follows: The Company, under the pressure of heavy demands, directed their servants to take the salt works out of the hands of private persons, and to resume them for the benefit of the Company; expecting, from this measure, to draw a revenue of £.120,000 per annum. The contracts, in consequence, were put up at auction; and the produce, during the two first years, amounted to 32,54,706 rupees. The reduction of the revenue, in subsequent years, he says, was owing to the external cause of the importation of coast salt; and to the internal one, of want of experience in managing this branch of the revenue. He therefore proposes several ways by which the salt might be converted to the profit of Government.—1. By authorizing a free sale of salt, subject only to a duty.—2. By entrusting
to

CHAP. I.

to the Zemindars the property of the cotteries, lying within their zemindarries, and take the payments in salt.—3. To receive the payments, duties included, on the same plan, in money.—4. To let the salt mahals by distinct contract, independent of the Zemindars, and to take the payment in salt.—5. To take the payments, upon the same plan, in money. He preferred the 3d of these methods, both because it would secure a greater amount to Government, and because it would remove many difficulties in managing business.*

Objection to
it by Sir John
Clavering.

SIR JOHN CLAVERING reprobated the putting the lands and the contracts for salt into different hands, and said that the importation of foreign salt arose from the monopoly in 1767; tracing, by evidence, that the importation had been greater or less, in proportion as the monopoly had been granted or prohibited. He proposed, therefore, to restore the lands and salt farms to the Zemindars, and to put an additional rent on the lands for the salt works, leaving to the Zemindar, without any interference of the officers of customs, to manufacture as much salt as he pleased, and to sell it where he could; concluding, that this would produce more than £.100,000 per annum of revenue; reduce the price of salt to the inhabitants; and prevent the exportation of coin, and the importation of coast salt. Mr.

* Mr. Lind, in a note, refers to a paper entitled, "An Abstract of the Prime Cost of Salt for the Years 1772, 1773, and 1774.." In the first of these years (according to this paper) the profit was 18,51,952. 14 rupees; in the next, 14,02,753. 2. 6 rupees; but the statement for the last two of these years being made, partly, by estimate could not be depended upon.

Francis, who had formerly preferred the first scheme of Mr. Hastings, afterwards agreed in this opinion of General Clavering. CHAP. I.

THE three great monopolies, at this juncture, were that of salt, that of opium, and that of saltpetre: we have already given the opinions upon the first of these. Mr. Francis was for abolishing the second, and subjecting opium to a duty of thirty sicca rupees per maund; and he was for abolishing the last, as the only means of lowering the price. In general, he gives it as his opinion, that if there is one great monopolist, then a number of individuals must be precluded from employing their little capitals; and if this monopolist shall be under the authority of Government, in case of a dispute, there is no impartial tribunal to which to apply for justice. He therefore concludes, that if the Company are to be merchants, all their investments ought to proceed from contracts, till such time as improvements in the manufactures will admit of ready money purchasers. Sir John Clavering agreed with Mr. Francis in his general ideas against monopolies, but held those of opium and of saltpetre to be exceptions; and that the quantities of these articles required for the investments must be purchased, at the Presidency, by the Company.

State of monopolies in the Bengal provinces.

MR. LIND concludes, on the whole of these opinions, that from every part of the evidence, the salt works ought to be let together with the lands, and leases to be granted to the Zemindars. That the investments ought to be provided.

Mr. Lind's remarks on this subject.

CHAP. I. vided for by contracts, as soon as the state of the manufactures will admit of it; and that it would be of essential service to the Company if they made their purchases with ready money.

6th Question.
By what
courts ought
the judicial
power to be
administered
in the British
provinces in
India?

6. How, and by what Courts should justice be administered in the British Provinces in India?

Opinions of
Mr. Hastings
and Mr. Bar-
well.

MR. HASTINGS and MR. BARWELL proposed, as an answer, that the jurisdiction of the Supreme Court should be extended over all the provinces without limitation. That the ancient courts of Nizamut and Duannee should be continued; but that a controul over them should be vested in the Supreme Council and the Judges; and that the Provincial Councils should be vested with judicial authority, in the internal districts, as well as become courts of revenue. It was upon this plan that Sir Elijah Impey drew up the heads of a bill.

Opinions of
Mr. Francis
and General
Clavering.

MR. FRANCIS and GENERAL CLAVERING blend their views of the judicial power with their general system for government; the form which they proposed approached to the ancient Asiatic. In it, the Mussulmen chiefly were to be invested with offices of trust, while the cultivation of the soil was to be left with the Hindoos, whose property it had been. They proposed to settle the duties at fixed rates; and thought that the Company, like other merchants, should be obliged to go to market, to purchase their investments, and that the natives should be left with their customs, laws, and

and religions : concluding that in this way the Moguls governed *their* conquered Hindoostan.

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MR. HASTINGS taking, as the ground of his reasoning, a plan of government which he had proposed in council, in 1772, recommended the establishment of the following courts of justice. The first court was to be the *Sudder Duannee Adaulet*, which should consist of the Governor-general, the Chief Justice and other Judges, the Roy Royan, and the chief officers of the Khalsa : three of these were to compose a court, one of whom must be a member of Council, and one a member of the Supreme Court of Judicature. Though this court was to be a court of appeal, it was, at the same time, to have the power of receiving new exhibits, and of examining new witnesses. It was to decide on personal property, above the value of a thousand rupees, and on all cases of malguzary lands, or lands paying a rent to Government, and was to sit once a week. Mr. Chambers objected to the name of this court, as implying that the distinction between Nizamut and Duannee had not been abolished.

Mr. Hastings's system of civil jurisdiction founded on his plan of government of 1772.

MR. HASTINGS, secondly, proposed to establish *provincial Courts*, to consist of the provincial Councils, at their usual meetings, assisted by the provincial Duans, Canongoes, Moulavies, and Purdits. These courts were to hear and determine on the complaints of the inhabitants, or remit them to the inferior courts, from which this was to be considered as a Court of Appeal. These provincial

CHAP. I.

courts were to keep regular records, extracts from which, were to be held as evidence, when the case was brought by appeal to the *Sudder Duannee Adaulet*. Mr. Chambers, to produce these ends, proposed to divide Bengal, Bahar and Orissa into eight zillas ; of which Bahar was to be divided into south and north. He thought the jurisdiction of these courts should be confined entirely to revenue cases.

MR. HASTINGS, thirdly, proposed a court of *Adaulet Duannee Zillajaut*, to be superintended by one of the members of the Provincial Council, in rotation, assisted by the Provincial Duan, Canongoe, and one Moulavie, and one Pundit, to be named by the Governor General and Council. In this court the complaints of the inhabitants were to be heard, in the first instance, and appeals from it might be carried to the Provincial Council. It was to sit three times a week, in the principal town of each division, and copies of its proceedings, with abstracts, were to be sent before the 5th day of every month, to the Provincial Council, to be by them forwarded for record in the Supreme Court. Sir Elijah Impey proposed that the Judge of this court should be a senior servant of the Company, and be continued in his office *quamdiu se bene gesserit*. In opposition to this opinion Mr. Chambers did not think it necessary that the Judge should be one of the servants of the Company.

THE fourth court, proposed by Mr. Hastings, was that of *Adaulet Duannee Mofussel*, or subordinate Country Revenue Court, to sit in districts where no Court of *Adaulet Duannee Zillajaut*

Zillajaut was usually held. This inferior court was to consist of the Naib, the Canongoe, onè Moulavie, and one Pundit, to be chosen by the Governor-general and Council, and to be held four times a week, or oftener, in the principal Cutcherry of each district. From the decisions of this court appeals might be made to the Provincial Courts.

WITH the object of removing the difficulties which might arise in establishing these courts, Mr. Hastings proposed that all the forms and rules observed by the late government should be held to be legal. That the Roy Royan and Superintendant of the Khalsa records, should, when required by the Governor-general and Council, or by the Supreme Court of Judicature, or by an individual, have the power of issuing warrants, and of summoning witnesses, but not that of inflicting punishments, or of detaining parties or witnesses longer than 48 hours, or no longer than should be necessary for their examination. He thought, also, that they should have the power of apprehending any farmer, or sub-farmer, against whom complaints had been entered in the Provincial Council, and of sending him before it. In his exercise of this power, however, the Judge ought to be possessed of the letter of the Provincial Council, specifying the cause for which the warrant was required, and that the letter ought to be recorded. To guard against every species of oppression, the party ought to have a right of complaint to the Supreme Court, against the Provincial Council. On this last article, Mr. Chambers preferred the mode of indictment to that of action; but Mr. Hastings proposed giving

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to the Supreme Court, not only the power of sending down cases to the inferior courts, but of evoking any cause which shall be pending before such court.

The system
of Criminal
Jurisdiction
on the same
basis.

THE Criminal Jurisdiction, Mr. Hastings proposed to lodge in two courts; the *Nizamut Sudder Adaulat*, and the *Foujdary Adaulat*: both to be formed upon the basis of that system of government which he had suggested in Council, in 1772. To the Darogah of the Nizamut Sudder Adaulat, under the title of Naib Nazim, he proposed to give the power of confirming or mitigating the punishments decreed in the Futwah, or sentence of the Nizamut, and of issuing warrants for execution; but these to be subject to the revision and confirmation of the Governor-General and Council. He was of opinion, that the Foujdary Adaulat should have more extensive powers than it was anciently vested with, particularly, that the Judges of it should not be liable to any action or punishment, for what they might have done, in the regular discharge of their duty, and should only be made accountable to the Nizamut Adaulat, which was to be under the controul of the Governor-general and Chief Justice; upon this last point, Sir Elijah Impey was of opinion, that the power of the Darogah should be transferred to the Governor-general and Chief Justice, with a proviso, that they were not to encrease any punishment to capital, unless the offence should be felony in England without benefit of clergy. Mr. Chambers was, for prohibiting capital punishments, unless for such crimes as the general Assembly should adjudge to be worthy of death.

CHAP. I.
Of Police for
Calcutta.

IN addition to these Courts of Justice, Mr. Hastings brought forward a plan for the police of Calcutta, in which he proposed to divide the city into eight districts, each to be under a Cutwall to be nominated by the Governor-general and Council, from among the sect which formed the majority of the inhabitants in each division. These Cutwalls were to be subject to a Superintendant of Police. They were to have the power of imprisoning for twenty-four hours, and of ordering a punishment to the extent of twenty lashes with a rattan. They were every day to make their reports to the Superintendant, who might encrease the number of lashes to fifty. Sir Elijah Impey was of opinion, that the same plan ought to be extended to the other towns within the British provinces.

WITH the view of rendering the whole of this judicial system efficient, *Mr. Hastings* thought, that there should be an Advocate of the Company, for the management of suits, in which they were, directly or indirectly, parties; and an Advocate for the Crown, who, upon information, should prosecute offenders in all cases in which His Majesty's interests were concerned.

SUCH are the outlines of the plan, on which Sir Elijah Impey drew up a bill, though he introduced into it some alterations, viz. he proposed to extend the jurisdiction of the Supreme Court over all the countries that were, or might become subject to the Company: and to vest it with Admiralty Jurisdiction, giving to it the power of trying
accessaries,

Improvements on
both proposed
by Sir Elijah
Impey.

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accessaries, when the principal was not within the Company's territories. He thought it should possess the power of granting probates, and letters of administration to the heirs of persons leaving effects within its jurisdiction. To diminish the expense of law suits, no depositions should be reduced to writing, unless in cases which might be brought by appeal to the King in Council. When cases were referred to arbitration, the decisions of the Arbitrators might be made Rules of Court, and punishments inflicted on them when they acted in a corrupt manner. He proposed empowering this court to decide in all suits, of a civil nature, between the Company and His Majesty's subjects, European and Armenian, or between these subjects and those of other nations, within the British provinces, either when the case exceeded the sum of five thousand current rupees, or when the Justices should certify, that it was requisite for the case to be tried in that court. In general, he thought, that the Supreme Court ought to have a controul over all other courts, in the same manner as the Court of King's Bench has in England, except over the Sudder Duannee Adaulat, of which the Judges were themselves members. He proposed, that all Judges of the inferior courts should be amenable to the Supreme Court; and that Sheriffs ought to be appointed, with power to issue writs, to be executed in the distant provinces. That the Provincial Councils should be empowered to take and justify bail, and that the Supreme Court should have the right of appointing Commissioners to state interrogatories, as is done in the Court of Chancery, in England; and that the result ought to be held as legal evidence.

To

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His attempt
to reconcile
these systems
to each other.

To conciliate this system, with the usages of the natives, Sir Elijah Impey proposed, that Pundits, Moulavies, Canon-goes, &c. the Roy Royan, and superintendant of the Khalsa records, should attend the court of Sudder Duannee Adaulet, be considered as officers of it; and that a copy of the Hindoo laws, and the decisions of the Pundits upon them, should be deposited in the Supreme Court, and held as authority in all questions in which the natives of this class were parties. He was of opinion, that the clerk of this court should have powers similar to those exercised by the clerks of the Court of King's Bench. That he should be entitled to sue for fines and forfeitures, which were to be at the disposal of His Majesty; but that part of these fines, till disposed of, might be employed in supporting such suits of the natives as came before the court, *in forma pauperis*. The sums so arising, to be placed out at interest, and the clerk of the court to receive and be answerable for such interest, 'till the 1st day of every January, when it should be lodged in the hands of the Governor and Council, for the public service. Sir Elijah Impey was farther of opinion, that the Supreme Court should be vested with power to try cases of treason, and that it, as also the inferior courts, should be entitled to appoint their respective serjeants and officers. To prevent all undue influence, in criminal cases, the members of the Foujdary courts should be prohibited from having any communication with the parties, except in court, and from receiving any presents or gratuities of them.

To

CHAP. I.

To facilitate the recovery of small debts, he proposed giving to the head farmer of every pergunnah, the same kind of jurisdiction, which Courts of Conscience have in London; but, in Calcutta, to vest that power in the Court of Requests; he thought it might be expedient to appoint a Coroner for Calcutta, and that he, and in general all the officers of justice, should be obliged to take the oaths of allegiance and of office. As the Company came to the possession of their territories in August, 1765, that period might be fixed upon, as the epocha, from which prescription should be reckoned. To protect the Ryot from oppression, it should be strictly enjoined, that no demand should be made upon him, beyond the amount of his pottah or lease; nor should any taxes be imposed which had been abolished by the Company. Farther, to prevent oppression, he recommended taking away all private authority from the creditor of imprisoning his debtor; and to prevent usury, interest should not, in any case, be allowed to exceed 12 per cent. As great injustice had arisen from Europeans flying from the Company's dominions it ought to be declared, that no European, who had resided in the British provinces, should be permitted to enter into the service of any Indian Prince, without first receiving a licence from the Governor-general. And on the whole, that this act should be published in the Supreme Court, at a meeting specially held for that purpose, and in one month after such publication, all courts, except those appointed under this act, should cease and determine; and that such cases, as might be pending in these courts, should be transferrable to those which were to

be substituted in their place. If the Governor-general, with the powers given him by this act, should refuse to appoint sheriffs, &c. the appointments might take place by a *Mandamus* from the Supreme Court.

SIR JOHN CLAVERING, MR. FRANCIS, and COLONEL MONSON proposed very different views both of government and of jurisdiction, from those recommended by Mr. Hastings and Sir Elijah Impey. They considered the establishment of provincial councils to be a measure fundamentally wrong; that there ought to be but one deliberative council, and that all powers delegated by it, should be declared to be purely official. Mr. Francis, in particular, held it to be absurd, that any government should have in the same branch of it both executive and deliberative powers; since in the exercise of them, it could not plan with wisdom, nor dispatch with celerity; he therefore preferred giving the functions of the council, as a Board of Revenue, to supervisors acting under a commission, and with a salary. He thought, however, that the power of the supervisors should be only temporary, and that, at all events, it should continue no longer, than till the Zemindars could be re-established, the Ryots receive their pottahs, and the rents be in the course of regular payment to the Khalsa; that the power of these supervisors might be efficient, he proposed, vesting them with a particular superintendence over the Duannee Adaulet Zillajaut; that they should be attended by the foudary officers, and by men learned in the laws of Hindoostan. In particular, that they should have the power

Opposite systems of Sir John Clavering, Mr. Francis, and Colonel Monson.

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of checking monopolies, and of removing vexatious impediments to trade: The establishments of the Company's servants would, by these means, be diminished, and their receipts and payments brought into the simple forms of business. Before dismissing the provincial councils, he recommended, that they should be required to give, 1. An exact register of the landed property. 2. A table, specifying the three last years receipts. 3. A character of each Zemindar and the situation of his family. It was by the foudary jurisdiction that in the ancient constitution, the Zemindar became bound for the peace of his district, and to make good the damages done by offenders in it. To this duty the Zemindar was compelled by the foudary, and the taxes levied from his exercise of it, formed an article of revenue, termed *Aboab Foudary*. The Zemindar ought to be not merely the collector of the revenue, but a subordinate instrument of civil administration. On his restitution, therefore, he ought to be required to keep up the ancient usages, such as the reparation of roads and of bridges, the inspection of plantations, &c. It was, upon the whole, his, and the deliberate opinion of the gentlemen who acted with him, that Bengal, &c. could not be held by Great Britain, if its inhabitants should be subjected to the British laws only; a conclusion which he supports by a reference to Mr. Verelst's observations. It was in vain to think of rendering the Duannee Courts, till the Zemindars should be restored, adequate to the purposes for which they were instituted. In their then state, the most powerful of the parties in a revenue cause, was in effect in the Judge, nor could the system

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system which he himself recommended, be made efficient in the hands of an Englishman, unless he was assisted by persons instructed in the laws of the Hindoos, and of the Mahomedans; had a salary that made him independent; took the oath of office; was made removeable *ad culpam*, and made responsible to the Governor and Council. Justice, in this way, might be accommodated to the manners of the people, and to their ancient institutions; but the delays and expenses of the English law would ill suit the simple manners of the natives; and, at all events, these last should never be left to the mercy of attorneys and lawyers.

Mr. Lind observes, in general, upon these different opinions, that it is an admitted point, by all parties, and by all writers, that the laws and usages of Hindoostan ought to be continued in force, and that the Supreme Court of Judicature would require aids from them, in the administration of justice. If this be the fact, in so far as regards the Supreme Court, where suits must terminate; it certainly cannot be less so in the Subordinate Courts, in which the natives are almost in every case the parties. The ancient usages may have been perverted, amid the revolutions, which Hindoostan has experienced; but it certainly is more practicable to reform these laws, than to introduce a system, foreign to the manners of the people. In criminal cases, the usages of the English law, in particular, in taking a person into custody, would deprive a Hindoo of the privileges of his cast, and disgrace him for ever; and it certainly would

Opinion of Mr. Lind on the whole of these systems of jurisdiction and of government.

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be the highest cruelty to expose the natives to the expenses of English law-suits, when they could not benefit by the issue. We may offer them the benefit of our laws (says he) but we ought not to force them to accept of it.

FROM the whole, he draws the following chain of inferences ; that the jurisdiction of the Supreme Court ought to be limited, in criminal cases, to the Europeans, or Armenian subjects of the King, and to their descendants ; that, in civil cases, this jurisdiction should be limited to parties of the same description, or to cases where the parties, in the contract, have stipulated an appeal to the Supreme Court of Judicature ; that an appeal might be made from the Mayor's Court to the Supreme Court ; that the Supreme Court ought to have admiralty jurisdiction ; that it ought to have the power of trying accessaries, of granting probates, letters of administration, &c. of preventing the reducing depositions to writing, unless the case shall admit of an appeal to the King in Council, and of rendering all submissions to arbitration, a rule of court ; that the King's advocate, or attorney, ought to have the power of bringing inferior officers of justice before the Supreme Court ; and individuals, the power of preferring indictments for acts of corruption, against the judges of the inferior courts, reserving to the Governor-general the right of entering, by the Attorney-general, a *noli prosequi* ; that the judges of the Supreme Court ought to make annual circuits, and the clerk of it to have the power of suing for fines, the amount of which should be paid to a receiver appointed

appointed by the Governor-general and Council; that a Coroner should be appointed for Calcutta, and in the principal town of every district, and an Advocate-general for the King; that hard labour should be instituted as a punishment, in place of banishment; that the Hindoos ought to be tried by their laws, and the Mahomedans by their laws: As the power in the Supreme Court of exercising controul, in revenue cases, had sometimes distressed the inhabitants, and impeded the collections; that therefore a Supreme Court of Appeal in revenue cases should be instituted; such a court ought not to consist of the Governor-general and Council alone, for then the most powerful party would be the judge; nor of the Governor and Council and Judges, for then there would be a perpetual diversity of opinion: but should be composed of seven judges, nominated by the Governor-general and Council, three of them to be of council, one of them selected from the puisne judges of the Supreme Court, and three of them, European subjects of the King. This court ought to sit once every month, or oftener, be assisted with the advice of the principal officers of the Khalsa, decide by a majority of votes, and the senior member, present, have the casting vote. The decrees of this court to be final, and, after decision, that it should not be entitled to receive fresh exhibits, or examine new witnesses*. To prevent corruption, adequate salaries ought to be given to the members of it; that in petty, civil, or criminal cases, between the natives, the jurisdiction of the Zemindars ought

* In a note it is observed, that this would be a departure from the English jurisprudence without reverting to that of Hindoostan.

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to be restored to them, leaving to the parties the right of appeal from their decrees, to the Duannee or Foujdary Courts. That in each district, there ought to be a Mofussel Duannee Adaulet, to take cognizance of civil cases, and a Foujdary Court to judge of crimes and misdemeanors, and that both of these courts should be assisted by the members of the council; that the power of the Darogah should be continued under the controul of the Governor-general; that the Cut-wall, or superindant of the police, should not be permitted to inflict punishment on European or Armenian subjects; but only have the power of sending them before a justice of the peace; that judges, of every description, (pending the suit) should be prohibited from conversing with the parties out of court, or receiving presents of any kind; or having any concerns in trade; that they should take the oath of allegiance and of office; that courts should be instituted for the recovery of small debts; that the interest of money should be legally fixed, and upon an annual settlement, when due, that it should be added to the principal sum on opening a new account; that Sir Elijah Impey's plan for the publication of the act should be followed; that the Court of Directors should be obliged to deliver to the Lords of the Treasury, exact and unmutilated copies of all their advices and dispatches; for, since the Company have become a species of intermediate sovereigns, the Proprietors, in a General Court, cannot be competent judges of the foreign political transactions of their servants; that the powers of the Proprietors should be limited to the following, viz. of electing Directors, of making Bye-Laws, and of settling

tling

ting their Annual Accounts; that the Directors should have the qualification of two thousand pounds stock, should be chosen annually, and be reduced to fifteen; that the King should have the power of appointing the Chairman and six of the Directors; and the Company of appointing the Deputy Chairman, and the remaining number of the Directors.

THOUGH it was necessary, in stating the different opinions of the servants of the Company, upon the systems of government and of jurisdiction suited to our Indian dominions, to bring the whole under the particular subjects which they examined, and to contrast with them the opinions which were offered by a man of ability, when he was digesting them into order, we should not furnish the Public with a full review of these interesting memoirs, if some attention was not paid to Mr. Hastings's plan of 1772. As a servant of the Company, he certainly had the best opportunities of information: he had passed through all the gradations of office, up to the rank of Governor-general. In this station he discovered uncommon activity and political talents. It is for his judges and for posterity to pronounce whether his measures were right or wrong.

Of the principles of Mr. Hastings and Mr. Barwell's plans of government and jurisdiction.

IN a letter from Mr. Hastings and Mr. Barwell to the Court of Directors, dated the 18th of January 1776, they inform them, that they send them a plan for the better administration of justice in the provinces of Bengal, &c. as they are of opinion, that the late act infringed on
the

CHAP. I. the rights granted by Parliament to the Governor-general and Council; and that it had become an impediment to the current business of the revenue. After paying a compliment to the moderation and wisdom of the Judges, they observe, that the undefined characters of the courts which had been established, required a reform, and then offer the following system.

THE principles upon which this plan proceeded were— That the government in India should be made an intire one; the powers which it is permitted to exercise should be legally annexed to it; the distinctions of Nizamut and Duannee should be abolished; the British sovereignty, through whatever channel it may pass, should be supreme; the acts of Government should be secure against interruption from warrants and writs, issued by the Supreme Court of Judicature.

MR. HASTINGS had stated most of these principles in Council, in August 1772. They were, afterwards, examined and improved upon, and the Provincial Councils were established in December 1773. In January 1776, he proposed (as has been already noticed with his explanations) the following Courts of Justice for civil cases, viz. 1. The Sudder Duannee Adalet, or Superior Court. 2. The Provincial Councils. 3. The Courts of Adalet Duannee Zillajaut, or Provincial Duannee Courts. 4. The Courts of Adalet Duannee Mofussel, or Subordinate Duannee Courts. In the preceding comparison of opinions, the nature of these proposed courts

courts has been delineated. He also proposed to establish, as Criminal Courts—1. The Nizamut Sudder Adaulat.
2. The Courts of Foujdarry Adaulat.

To accommodate these courts to the actual situation of Hindoostan, Mr. Hastings and Mr. Barwell proposed to give a species of legislative power to the Governor-general and Council together with the chief Justice and Judges, assembled in the Duannee Court, for the purpose of forming such rules and ordinances as they might think necessary and expedient for the good government of the country, and the welfare of the natives; subject, however, to revision by His Majesty, agreeably to the Act 13th of His reign. In examining the preceding opinions, the nature of this legislative power has been already detailed.

SIR ELIJAH IMPEY, by direction of the Council, drew up a bill, with the object of consolidating these judicial and legislative powers in our Asiatic provinces. Though the greatest part of the particulars comprehended in this bill, have already been recited, it may be proper, in this place, to state the principles upon which it was founded, and to subjoin the recommendation of it by Mr. Hastings and Mr. Barwell.

Sir Elijah Impey's bill founded on them.

THE preamble states, that the sole sovereignty of the British provinces in the East-Indies, at present, subject to the government and controul of the Company, should be vested in His Majesty, and his heirs, &c. reserving to the

Indian

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Indian Princes the rights which they now enjoy, or which have been secured to them by treaty with the Company; and that the Company should retain the privileges which it exercises, either under the authority of acts of parliament, or under its existing charter. After recapitulating the 13th of the King, for establishing a Supreme Court of Judicature, and specifying the other kinds of jurisdiction, such as those of admiralty, &c. already taken notice of, it concludes, that the Supreme Court should have the same powers, privileges, and prerogatives which are enjoyed by His Majesty's Courts of King's Bench in Great-Britain; and that for the natives, courts of justice in conformity to the arrangements of Mr. Hastings and Mr. Barwell ought to be constituted. The principal deviations, in this bill, from the whole of the preceding plan, they say, consist in “ the
 “ jurisdiction respectively assigned to the Provincial Coun-
 “ cils, and to the Courts of Adawlat Duannee Zillahaut.
 “ The former are restricted to the cognizance of such
 “ causes only as had an immediate relation to the public
 “ revenue; the latter are intirely freed from dependence
 “ on, and connection with the Provincial Councils; and
 “ invested with a jurisdiction, in all cases, which do not
 “ appertain to the revenue; and even in the trial of
 “ complaints from the Ryots against the inferior agents
 “ of the collections, for exactions not warranted by their
 “ pottahs or leases. For although these, as matters of reve-
 “ nue, should be properly cognizable by the Provincial Coun-
 “ cils, yet from innumerable instances of this kind of op-
 “ pression, which, we apprehend, will occur whenever
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“ the Ryots shall have a resource, provided for their redress, they would prove too heavy a charge upon the Provincial Councils, and encroach too much upon the time, which they ought to bestow on the receipt and management of the larger collections.”

“ WE presume not, he concludes, to look beyond our own local knowledge; but we dare venture to pronounce, that it will be impossible to govern the people of this country, by the fixed rules of law and justice, under any system, however judicious, which shall not have the sanction of sovereign authority, especially with courts which are to exercise a concurrent jurisdiction, with the high powers granted by Parliament to the Supreme Court of Judicature.”*

THOUGH this plan, and the bill which arose out of it, are merely articles in the history of opinions respecting India, hints may certainly be drawn from them, which may be useful to the public, and to the legislature, in judging of the system required for the government of our Eastern possessions; from the comparison of them the following inferences may, perhaps, be drawn—

Inferences suggested by the whole of these opinions and systems—

1. It will occur, that the government which had subsisted in Hindoostan, anterior to, and at the time when Great Britain obtained its possessions, was a subject perfectly new to those who attempted to decide on it: nor

—tending to fix our notions of the government suited to British India.

* Letter from Mr. Hastings and Mr. Barwell to the Directors, dated 30th April, 1776.

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was the portion of the Mogul system retained by the subverters of that empire, less a novel and mysterious subject. Under such circumstances, it is easy to account for the opposite opinions of the most intelligent servants of the Company : one class of them recommending the continuance of the Mogul system, and another, the abolition of the treaties under which we held our settlements. One class of them insisting, that the Zemindars had original and a species of sovereign power in their districts ; another asserting, that this power, though often hereditary, was merely official and contingent ; one class of them wishing to extend the English laws and law courts, to a people who could not understand the one, or have confidence in the other ; and this liberality, opposed by the other class, from the expediency of retaining the mixed jurisprudence, to which the natives had been habituated. On the whole, therefore, it follows, that the species of government which the Company at first adopted, arising out of the nature of territories, acquired partly by conquest, and partly by treaties, was the only one practicable at the time. Events alone could conciliate the natives to their new masters ; and experience alone could reconcile them to institutions, the superiority of which they could only perceive, in the safety and prosperity enjoyed under them. Parliament, therefore, did wisely in the enquiries which it instituted to discover the real state of our Indian possessions, and acted for the public interest, in its resolution to engraft as many of the prejudices of the natives on the delegated sovereignty of the Company, as circumstances

stances would admit of; at the same time, it was proper to allow to the natives the benefit arising from an improving system of government. Had Parliament, instead of this prudence, annihilated the power of the Company, the natives must have looked on their recent conquerors, as they did on Alliverdi, and held them to be the actors of a day: nor could it have been explained to them, or could they have been made to comprehend, how a Conqueror could experience the vicissitude of being reduced to nothing, by a written mandate from a distant land; or conceive, but that the power which had sent such mandate, might have been equally fleeting and dissolving in its character.

2d. It will next occur, from the whole of the opinions on the general, as well as on the particular questions, respecting the government of our Eastern possessions, that the respective rights of the Company, and of the nation, were not, at this juncture, either developed or understood. The law questions, whether the Company, acting as a delegated sovereign, could hold the provinces of the Mogul? Whether the King, consistently with his dignity, could assume the character of a feudatory dependant of the Mogul? Whether it might not be expedient for the King to chuse some native to hold the provinces of the Mogul, but to be accountable to the State? tended to no end, unless it was to furnish subjects for the casuistry of the Civilians. At this juncture, the Mogul was a dethroned monarch, maintained

—tending to fix our notions respecting the rights of Great Britain to its Asiatic provinces. —

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as the pensioned ally of the East-India Company*. Privileges obtained from him were absurd, because he had no power to fulfil the conditions to which he might bind himself, and yet such grants served the purpose of conciliating the natives to our government. Privileges derived from the inferior princes (some of the lesser Rajahs excepted) were still more unavailing, because all of them were usurpers of yesterday, and had no other consequence than what arose from grants, extorted from their fallen sovereign, or given to them by the accidents of talents and good fortune, seconded by that of power. And yet, such was the line of thinking in India, that even privileges obtained from these newly established sovereigns, conciliated the natives to the authority of the Company. All, therefore, that Parliament could do, was to preserve in force as many of the forms of the fallen empire, conveyed to the Company either in a direct or indirect manner, as were required to maintain that rich accession to the British Empire.

—tending to
fix the kind
of jurisdiction
required in
them.

3d. It will lastly occur, from the whole of the opinions which we have detailed, on the scheme of introducing the English laws into Hindoostan, that the plan was rather liberal than practicable. The laws of a people arise, not from scientific perceptions of distributive justice, but from the principle of justice being gradually developed and accommodated

* This, though not exactly a parallel case, was somewhat similar to the mode of government adopted in all the new sovereignties in Hindoostan. The Rajah of the Mahrattahs was but the political engine of the Peishwah, as the Rajah of Myfore was of Hyder Ally.

to actual life. What nations term their *ancient usages*, are only the frequent application of this principle to events, gradually forming rules for their practice. Hence, the partiality of a people for their usages, is in fact nothing more than the first rudiments of their public education. Their established superstition tends to impress the value of such rules upon their minds; so that laws become as local as manners. In England, it is the history of a law which explains its character and its tendency to promote the interests of the people; and it is their acquaintance with this history which gives them confidence in their Courts of Justice. To have at once transferred the English law to our Indian subjects, would have been a violent obtrusion of foreign usages on a really vanquished, though nominally allied people. We have gradually been obliged to shift, since the first introduction of the Court of Judicature, from Provincial Councils to the formation of Courts of Justice, proceeding upon the principles of the laws, to which the natives had been habituated; and been compelled to admit the propriety of establishing a distinction between the subjects, who are under the British, and under the Native Courts. Even at this improved moment in the knowledge of Indian affairs, and after we are better acquainted with the systems of Hindoovee and Mahomedan laws, and with the practice of their Law Courts, it, probably, will be found expedient to continue the mode of improving the judicial power in our Asiatic dominions, rather by accommodating it to the customs of the natives, than to make the attempt of substituting, at once, the laws of England in the place of the laws of India.

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Mr. Dundas's Bill
proposed in
1783.

AT the close of the war in 1783, such were the impressions of the public, respecting the administration of Indian affairs, by the Company, that a general desire seemed to prevail, for some mode of regulation for our foreign settlements in Asia, which might be better calculated to render them efficient parts of the empire; and that some method might be devised, by which the proceedings of the Directors should be made more coincident with those of the state. Men of moderation, however, foresaw, that differences of opinion, upon this subject, might arise in both houses of parliament, and it was to be apprehended that great opposition would be given to any bill proposed upon this national concern. As a plan, however, for Indian affairs was looked for from those particularly, who had taken an active share in conducting the enquiries of the house of commons upon this subject, Mr. Dundas, then His Majesty's Advocate for Scotland, and who had been chairman of one of the committees, came forward with the following plan, in the form of a bill, for the consideration of the house of commons.

The part
of it which
regarded the
system of go-
vernment
suited for our
possessions in
India.

IN the preamble, this bill proceeded upon the privileges which the charters of the East-India Company had conveyed to them, in virtue of different acts of parliament, and in particular, on the regulations specified in the 13th of His Majesty.

THE first branch of it regarded the *foreign governments*. It set out with proposing, that there should be appointed

pointed one Governor-general and Captain-general of all the British settlements in India; that he should be vested with the supreme power over the presidency of Fort William, and over the other presidencies and settlements in India, together with the chief command of all the forces, subject only to such orders and instructions, as he might, from time to time, receive from the Court of Directors; that all the deeds of this Governor-general and Captain-general, should be certified under the seal of his office. In the exercise of these extensive powers, however, (except in the cases of laying on an embargo, or arresting suspected persons) he was to summon the council, (which was to consist of four members) to communicate with them, and to hear their opinions on any act of hostility, which he might order, on any treaty he might alter or conclude; or, in general, upon any act of government, which he might have in view: The records of the proceedings of the council were to be made up by the secretary, one copy of which was to be transmitted to the Court of Directors, and one to His Majesty's Principal Secretary of State: All acts of Government were to be issued in the name, and under the seal of this Governor-general: If any difference of opinion should arise between him and the members of council, the secretary was to enter on the records, the opinion or advice of each member present, with the reasons assigned for it, subscribed by such member, and to transmit them, with the records of council, to the Court of Directors and to His Majesty's Principal Secretary of State. If the Governor-general should differ in opinion from a part, or from the whole of the

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council present, then he was, if the case would admit of delay, to adjourn the deliberation for, at least, the space of twenty-four hours, to issue a summons to each of the members for their attendance, and, when re-assembled, he was to begin with reading the question, and then to ask the opinions of the members, beginning with the youngest. If a majority, or the whole of the council, should still differ from him, upon the subject under discussion, and he continue of opinion, that the measure would be for the safety of the State, and for the interest of the Company, then he might, after hearing and ordering the opinions of each of the members to be entered upon the records, take an oath, and declare, that he, in his conscience, thought the measure was expedient, and for the Public interest. Which being done, the resolution should become valid, and he might command it to be carried into immediate execution: He was then to direct the secretary to send four copies of it, and of the reasons urged by the several members for or against it, over land, by two different messengers, each of whom was to carry one copy for the Court of Directors, and one for His Majesty's Principal Secretary of State: Two copies were also to be sent by an express vessel for the same purpose; and two others by the first chartered ship of the the Company.

THE bill, in the next place, proposed, that the Governor general should have the power of negotiating and concluding treaties, of ordering hostilities against any Indian Prince, and of defending the possessions of Indian states, of which the Company, by treaty, were guarantees; of levying troops, appointing

pointing commanders, of making war, or concluding peace; subject, however, to such orders as, from time to time, he might receive from the Court of Directors. That, under his hand and seal, he might issue warrants for detaining or securing persons suspected of illicit commerce, or of keeping up a correspondence with any of the country powers; but exceptions were made in favor of His Majesty's commanders of ships, and officers under them; also of the members of council; of the members of the Supreme Court of Judicature; of the members of the Sudder Duannee Adaulet of the Company's servants in general, and of any licensed trader, unless on information, by credible witnesses, upon oath; that he should have the power to suspend the execution of the sentences of the Supreme Court, in which the punishment was to be capital, for such time, as he might think proper, or till His Majesty's pleasure should be known; and, if such sentence affected a native of India, he might grant a pardon, absolutely or conditionally, with the advice and consent of the Council. That he might also enter a *noli prosequi* in a criminal process, if carrying on against a servant of the Company for any official act. To render this system more simple, the Governor-general was to have the supreme controuling power in civil and military affairs, over the other presidencies in India, all whose acts were to be transmitted to him, subject to his ratification or rejection. If any commotion should arise, or mismanagement be discovered in the subordinate presidencies, he was to be empowered, (taking with him his seal of office and any of the members of Council he might think fit and the Se-

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cretary) to repair to the place, enquire into the causes of the commotion or mismanagement, suspend, amove, and commit to custody, such persons as should refuse obedience, and could not find security for quitting the settlement, and to appoint others to their offices until the pleasure of the Directors should be known. During the temporary absence of the Governor-general, the administration was to be vested in the Council, subject to such orders as they should receive from him.

THE bill, in the third place, proposed, that the Governor-general and Council should be named in the act, and be amoveable by an order from His Majesty, under his sign manual, countersigned by one of his principal Secretaries of State. This order was to extend to the subordinate presidencies, and a copy of it sent to the Chairman or Deputy Chairman, within fourteen days after being signed. That in the event of a vacancy, the Court of Directors were to appoint a successor to the Governor-general: the appointment, however, to be subject to the approbation of His Majesty. That if the Directors should refuse to make such appointment, then His Majesty was to nominate a person. In this manner the Governors and Members of Council, in general, were to be appointed. That the Directors were to have the power of nominating persons, provisionally to the superior offices, such nomination to be submitted for His Majesty's approbation, within seven days after the appointment had taken place. None of the Directors were to be appointed either by His Majesty or by
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the Company, to these offices, till such time as they should have been out of the direction for the space of four years. In the event of the Court of Directors becoming dissatisfied with any of their Governors or members of Council abroad, that they were to be empowered to represent the circumstance to His Majesty ; and that they were to follow such measures as, in his royal wisdom, he should think fit to prescribe to them. Such representations, however, were not to be allowed to be revised or rescinded by the Court of Proprietors. That the senior member of Council was to be Lieutenant-governor ; and, in case of a vacancy, to act as Governor till another should be appointed, or till he himself should be promoted ; transmitting always information of the vacancy by the speediest means. In case of a vacancy in the council, the Governor-general might appoint to it, till the pleasure of the Directors should be known. That upon the arrival of the Governor-general, in India, he was to issue his proclamation ; then to take an oath to His Majesty and to the Company, before the chief justice or a puisne judge, and all the members of Council ; and then to be held as fully invested with his office. After which, the members of the Council and the Secretary were to take the same oaths, administered to them in his presence. This new system was to take effect from the time of the arrival of the Governor-general, and his issuing his proclamation.

THE other great branch of this bill regarded the natives, and proceeded upon the principle of preserving to them their laws, usages, and religions. With this object

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The part of it which regarded the situation in which the natives were to be placed under the British government.

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it proposed, *first*, that a subordinate legislative body should be formed, in which the Governor-general was to act, by the advice and with the consent of the Council, and of the Chief Justice and other Judges of the Supreme Court. That this subordinate legislative body was to enact such rules and ordinances as they should deem to be necessary and just, and for the good government of the British possessions; for the collection of the revenues; for assessing and levying such taxes upon the houses and lands of Calcutta as might be required to maintain the internal police of that place; for fixing and recovering the duties on export, import, and transit trade; for inflicting and recovering reasonable fines and forfeitures, &c. These regulations, however, were not to operate on His Majesty's natural born subjects, in any way repugnant to the laws of England. As intended also for the natives, such rules were not to be in opposition to the religions, laws, and customs of India. The sanctions annexed to them were not to be capital, for the former, unless they were made so by the laws of England; nor, for the latter, unless they were so by the laws of the country; and particularly that a Hindoo was not to be deprived of his cast, unless he would have forfeited it by the laws of Hindoostan. In the enactment of rules or ordinances, each member of the legislative body was to have an active as well as a deliberative voice. The rule, after having been proposed, was to undergo three different readings; then to pass by the majority of votes, and be approved of by the Governor-general; but not to be valid till thirty days after it had been registered in the Supreme Court of
Judi-

Judicature, and till twenty days after copies of it should have been made in the English, Persian, and Bengal languages; and been affixed in the place where this court was commonly held. That the clerk of this court was to transmit copies of these rules to the inferior, civil and criminal courts. To assist the Governor-general, &c. in forming these rules, the Roy Royan, Superintendent of the Khalsa, Chief Canongoe, Chief Pundit, and Chief Moulavie, resident at Calcutta, were to be summoned to the meeting, to explain and to give advice. That copies of all such rules were to be transmitted to the Court of Directors, the Chairman of which, within fourteen days from the receipt of the dispatch, was to send them to His Majesty for his approbation. Appeals to His Majesty also were to be allowed against such rules and ordinances within sixty days; who, with the advice of his Privy Council, might declare them to be valid, or to be null and void. Any such regulation was, however, to continue in force till forty days after its annulment, made on the part of His Majesty, should be published, as the rule had originally been.

THE bill next proposed, that the Governor-general should be allowed a salary of £.25,000 per annum, and each of the Members of Council a salary of £.10,000 per annum. These sums were to be in lieu of every other advantage; for, the Governor, &c. were to be prohibited from receiving gifts or presents; and were not to be engaged in any but in the public service. The other servants of the Company were to

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be subject to the like conditions, with the exception of fees paid to lawyers, physicians, and chaplains. That if any servant of the King or Company should be proved to have taken a gift from any Indian Prince, or from the natives, he was to be made liable to punishment by the Supreme Court; and on conviction, to forfeit double the value received, one moiety of which was to be paid to the person informing, and the other to the Company. That in particular, such of the servants of the Company who might be employed in the collection of the revenue, were to be prohibited from carrying on any private trade on their own account, under the pain of forfeiting the goods and treble their value. That the interest of money was to be fixed at 12 per cent. and an offender, against this regulation, was to forfeit treble the amount, and the informer was not to be permitted to compound, or to agree with the party against whom his information had been lodged. That if any servant of the Company should resign, or be dismissed from the service in India, it should not be lawful for him to carry on any commerce in India, except for the disposal of his stock in hand; and if accused of breach of trust, upon conviction, should be sent home to England, unless he could find security to remove within a specified time; and no sentence of this kind to be compounded for.

THE bill proposed, in the third place, that the subordinate presidencies of Madras, Bombay, and Bencoolen, should each have a Governor and a Council consisting of four members. That the Governors of such settlements should have a

negative, but not the power of acting against the majority of the members of their councils. That they were to be subject to the same rules of appointment, succession and recall, with the Governor-general, &c. ; and that they, and the Company's Agents or Ministers at the Indian Courts, were to carry on a regular correspondence with the Governor-general, and to receive and obey his instructions or orders. That the Governor-general, Councils, and Judges, and the Governors and Councils of the subordinate presidencies were to have the powers of Justices of Peace, and of holding Quarter-sessions ; and if they should be guilty of any offence against this act, it was to be tried in His Majesty's Court of King's Bench, in the same manner as if the offence had been committed in Middlesex. That in case an indictment or information, should be lodged in the Court of King's Bench, of crimes committed in India, upon sending a writ of *mandamus* to the Supreme Court of Judicature or to any Mayor's Court in India, these courts were to examine evidence *viva voce*, to transmit the result, to give copies to the agents of the parties ; and that this evidence was to be held to be the same, as if it had been taken in the Court of King's Bench. That if the *mandamus* should be directed against a member of the Supreme Court, the Governor-general and Council were to examine the case, take the evidence, and send the proceedings to England. That in the case of such offences being committed in India, as were cognizable by parliament, the Chancellor, or Speaker of the House of Commons were to be empowered to issue their warrants to the Governor-general and Council, and Judges, to ex-

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amine witnesses, and to make a report, which report was to be held as legal evidence; and these proceedings were to remain in force, though parliament should be prorogued or dissolved.

WITH regard to the tenures of land in Hindoostan, it was proposed in this bill, that in so far, as the good government of the settlements would admit, the Rajahs and Zemindars should be re-instated; pottahs given to the Ryots at reasonable and fixed rates, enquiries made and the most expedient method adopted for making such restoration, settling the quantum of tribute, modes and days of payment: and, to protect the Ryots from extortion, the Courts were to be empowered to inflict punishments proportionate to the offence.

The part which regarded the immediate settlement of the reciprocal claims of the Company and of the native powers on each other.

BESIDES these general objects, it was farther proposed to take measures for settling the respective claims of the Company and of the country powers; in particular, for adjusting and liquidating the debts of the Nabob of Arcot and Rajah of Tanjore, in such a way as might enable them to fulfil their engagements with the Company, and to contribute to the defence of their respective territories. For these ends, the Governor-general and Council were to transmit the results of their enquiries, on the subject of the debts of the Nabob of Arcot and Rajah of Tanjore, to the Directors, and to His Majesty's Principal Secretary of State; as also, accurate lists of the civil and military establishments and emoluments of the Company's servants in India, that measures might be taken for retrenching

trenching expenses, and restoring prosperity to the Company's affairs.

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THIS bill evidently was founded upon the general idea, that during the term of the Company's charter, the administration of their affairs required the active interference of the executive government, and, in this point, the opinions in Parliament, for and against the bill seem to agree*. On the one hand, it was allowed, that a government which should have energy and extensive powers, in India, was required; and, on the other, that a responsibility more defined than in the act of the thirteenth of the King, was necessary. The principle of the bill, therefore, was allowed to be proper, and the only difference of opinion, was, respecting the checks which it might be expedient to have over this controuling power, in its operation. Without entering upon questions which events have fully explained, it will be sufficient to observe, that out of this plan arose the system, which has since that time been adopted, in which the controul of the state over Indian affairs has been established; the subordination of the other Presidencies to that of Bengal, clearly marked out, the rights of the natives to their lands, &c. put in the train of being ascertained, and, ultimately settled on equitable terms; and the points in dispute between the Company, the Nabob of Arcot, and the Rajah of Tanjore, adjusted.

General tendency of this proposed bill.

* See Debates—Parliamentary Register, 1783.

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THE expenses incurred during a long and general war, in India, having brought the Company's affairs into such distress, that immediate relief was required, Sir Henry Fletcher, while this bill was pending, moved for leave to bring in a bill to grant to the Company a further time, to recover from the losses, which they had sustained, and for a delay in the payment of certain sums due, by them, to the Public. The plan for the government of India, of which we have given the outline, was lost in the disputes about this more immediate concern.

Mr. Fox's
bills proposed
in 1783.

THE same impression which had led to the preceding plan, still continued with the Public, and brought forward *Mr. Fox's* bills, for the better regulation of Indian affairs, domestic and foreign. We shall, therefore, take them, in their order, state the principles upon which they proceeded, the propositions contained in them, and the arguments adduced by the Company against their being adopted by the Legislature.

His proposition
on which re-
garded the ar-
rangement of
the domestic
affairs of the
Company.

THE bill which had the *domestic arrangement* of the Company's affairs for its object, sets out with the preamble, that disorders of an alarming nature and magnitude had long prevailed in the administration of the territorial possessions, revenues, and commerce of this kingdom in the East-Indies; that, in consequence of them, the natives had been reduced to distress, and the public interests in India, in danger of being ruined. A remedy, therefore, had become
absolutely

absolutely necessary, and the following was proposed, viz. That all the powers which were exercised by the Directors and Proprietors of the East-India Company should be discontinued, and the Company no longer entitled to hold Special or General Courts ; any charter, usage, law, or statute, to the contrary, notwithstanding—That, therefore, seven persons, named in the Act, were to be appointed Directors or Commissioners, constituted members of the Company, and vested with the powers of the former Directors and General Courts of Proprietors.—That to these Directors was to be committed the management of the territorial possessions, revenues, and commerce of the East-India Company ; and to enable them to discharge their duty with effect, they were to be put in possession of the lands, warehouses, books, records, charters, ships, goods, merchandizes, money, and securities for money belonging to the Company ; and to administer the whole for the benefit of the Proprietors—That they might be enabled to manage the commerce, nine Assistant Directors, named in the act, were to be appointed from among the Proprietors who should be possessed of £.2,000 capital stock ; these Sub-directors were to be bound, from time to time, (and as often as they should be required) to render an account of their transactions and proceedings to the Directors ; and to obey whatever orders they might receive from them ; That the Directors were to take an oath, “ to be indifferent, and equal to all manner of persons, and to give their best advice and assistance, for the support and government of the Company, and for the good management of the territorial possessions, revenues, and commerce of this kingdom, in the East-Indies.”

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“ Indies.”* That the Assistant Directors were also to take an oath, “ that they would be indifferent and equal to all manner of persons, and that they would carry on, manage, and improve the trade and commerce of the East-India Company, to the best of their skill and understanding.”† That if a vacancy should happen, among the Directors, by death, resignation, removal, or otherwise, it should be filled up by his Majesty, by an order under his sign manual ; that if a vacancy should take place, among the Assistant Directors, it should be filled up by the Proprietors as qualified in the act, the thirteenth of the King. The Proprietors, in this election, were not to vote by ballot, but in open court, specially summoned for that purpose, where they were to subscribe their names, under the name of the person for whom they voted. That, if upon enquiry, five of the Directors should, at any meeting, find that any of the Assistant Directors had been guilty of neglect or of misdemeanor, in executing the duties of his office, or of wilful disobedience to any of the orders of the Directors, then they were to be removed and displaced ; and the Directors were to enter in their journals their reasons respectively for such removal, signed with their names : That two of the Directors, named in the act, were to be the Chairman and Deputy Chairman ; and the Deputy was to succeed of course, in case of the death or removal of the Chairman ; if a vacancy happened in the office of Deputy Chairman,

* See the Act as printed for the House of Lords.

† Ibid.

the Directors were to fill it up, from among their own number ; that the Chairman and his Deputy were to have the power of summoning extraordinary meetings of the Directors, and of laying the business before them ; the Directors were to give their votes openly, and when any of them dissented from the resolutions of the Board, they were to enter their reasons on the journals ; that no person furnishing the Company with shipping, military stores, or any article of investment outwards, was to be capable of being either a Director, or Assistant Director ; nor any person against whom authenticated charges, on the records of the Company, should have been made (within two years before the time of his nomination) of speculation, or of oppression in India, until the Directors, or three of them, should have examined the charge, and declared the person not to have been guilty ; and, that no servant of the Company should be eligible, as Director, or Assistant Director, within two years after his return to Europe. It was proposed farther in specifying the duties of the Directors to the Public, that they were to lay before the Proprietors, in a General Court, to be for that purpose assembled once in every six months, an exact state of the debts and credits of the Company, the first cost and charges of their investment, outward and inward, and the sums in India applicable to investment, with an account of the shipping and of the produce of the sales, and the state of the warehouses at home and abroad ; that the Proprietors were not to have the power of summoning a General Court more than once in every three months, which court, at the same time, must be assembled,

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sembled, or called, by the Directors, or three of them ; but it was to be lawful for any nine, or more of the Proprietors, to apply to the Directors (each of these Proprietors being possessed of £500 capital stock) to summon a General Court within ten days after such demand ; or in default of the Directors, or any of them, refusing to summon such General Court, that then such nine Proprietors, or a greater number upon ten days notice, to be given in writing, and fixed up in the Royal Exchange, were to have the power of summoning and holding a General Court of Proprietors. That the Directors were, twenty days after the commencement of each Session of Parliament, to lay before the Commissioners of the Treasury, to be by them laid before Parliament, an account of the territorial and other revenues of the Company in India, estimates of the civil, naval, and military establishments there ; an account of the bond and other debts in India, specifying what belongs to each Presidency ; with a state of the trade as laid before the Proprietors at their last General Meeting. The Directors were to have the farther power of suspending, displacing, or appointing persons to offices, civil or military, in the service of the Company, either within this kingdom or in India : that when any charge of corruption, speculation, breach of orders, &c. which should be exhibited before any of the Presidents and Councils abroad, was transmitted to the Court of Directors, they were within twenty days after receiving such information, to enter on the examination of the charge ; and if they should not think proper either to recal the person, or to order a prosecution

secution against him, they were to enter their reasons, in writing, upon their journals, and to proceed in the same manner, in complaints made by any of the native Princes, dependant upon, or under the protection of the Company, against their servants abroad.

THAT if any charge should appear upon the Company's records against any of their servants, they were not to be permitted to return to any part of India, or to be employed in any office in the service of the Company, till the Directors should have made a full and particular examination into the conduct of such persons, relative to such charge; and if they should permit them to return, they were to enter their reasons upon their journals. That in case of any disputes between the Governors and Councils, or between the subordinate branches of the Company's establishments, the Directors should, within twenty days after receiving official information, enter upon an examination and enquiry into the subject, and either decide on it within three months, or enter their reasons for delay upon their journals, signed with their respective names. That they were to be bound, within three months after their receipt of the requisition of any of the presidencies abroad, relative to any dispute subsisting among them, to return an answer, opinion, and direction, entering on their journals their reasons signed with their respective names. That if any Indian Prince should complain of a breach of treaty, or of an injury or wrong done to him, by any of the Company's civil or military servants, the Directors were to examine the case as speedily as might be, and to do justice

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for such breach of treaty, wrong, or grievance; that they were not to have the power of punishing the breach of any bye-law, unless the penalty annexed to it should be approved of by a majority of the Proprietors, having £. 1,000 of capital stock. That three of the Directors were to form a board, and that the Chairman (or Deputy Chairman, in his absence) was to have two voices, or the casting voice. That the Secretary to the Board of Directors was to sign all dispatches to the settlements abroad, and that the accounts already specified, which were formerly to be signed by a particular number of Directors, were now to be signed by three of these Directors. That the Directors and assistant Directors were to be declared incapable of holding any other office, in the service of the Company, or any place of profit from the Crown during pleasure. That the Directors were to be removeable, upon an address of either of the Houses of Parliament to the King. These Directors were not to be disqualified, under the provision of the act of the sixth of Queen Anne, from sitting in the House of Commons. That each of the Assistant Directors were to be allowed a salary of £. 500 per annum, during the time of their holding the office, and to be disqualified, in consequence of holding it, from sitting in the House of Commons; and should such Assistant Director be elected, and take his seat, that he should forfeit for every day so sitting, £. 500 to the person suing him. That this act was to take effect, on receiving the Royal Assent, and to continue in force for four years*.

* From the copy of Mr. Fox's bill, as printed by the Lords.

THOUGH this proposition for the *domestic regulation* of the Company's affairs, was intimately connected with that which was brought forward for the government of their *foreign possessions*, the arguments which were adduced by the Company against this bill passing into a law, ought to be stated apart.

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Objections
made by the
East-India
Company
against this
proposition
passing into
a law.

I. THE Company admitted, that disorders had prevailed in their settlements abroad, which were of an alarming nature and magnitude, but said, that instead of originating in the Court of Directors, they might be traced either to the want of power in that Court to enforce obedience to their orders, or to the ambition and interested schemes of individuals among their servants abroad, who knew that the Company had no power to punish them, in any other way, except by dismissing them from the service. That in the year 1767, the Company had asked to be vested with the power of punishing their servants abroad, for disobedience of orders, but it was not thought expedient, at that juncture, to confer it on them. To their want of power, therefore, to controul the conduct of their servants, had been owing the confusion in their councils abroad, and that animosity among their servants, which had worked them up into contending factions. That the disorders of a public nature, had arisen from the war in Europe extending to India, for this had afforded the French an opening for cabal and unfair interferences, and enabled them to engage the country powers in a general combination, for the expulsion of the English from their different settlements. These were facts univer-

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fully known and admitted. If the war, then, did not originate with the Company, but in events of which they were not the authors, the disorders which had prevailed in India during the progress of that war could not be wholly ascribed to them. The enormous debt which they had been obliged to contract, in consequence of this war, might be an argument for granting them relief, but could not, surely, be a reason for depriving them of any of the privileges they enjoyed under their charter.

2. THE Company next defended themselves, by stating, that it could not be alledged against them, that they had, in any degree, neglected to carry the East-Indian commerce to its utmost extent, and produced accounts of their exports, imports, number and tonnage of their ships, and duties paid to the state, anterior to the war, and during its continuance, adding the prospects which peace was now offering to them of restoring their affairs. Whether their servants had acquired fortunes *honestly* or *dishonestly* they held to be out of the question ; if *honestly*, there could be no blame in taking up money from them, for bills on England, to support the war ; and if *dishonestly*, it could not be supposed, during so trying an exigency, that they could enter into any examination of the fact, more particularly, when they had no other power, than that of dismissing the delinquents from their service ; if they had refused to accept of this money, it would necessarily have passed through foreign companies to Europe, and indirectly might have been made a resource

to

to our enemies. The debt was now contracted, and it must be paid. CHAP. I.

3. THE Company pleaded, in the third place, that as a body corporate, they ought not to be deprived of any part of their privileges, unless they had violated some of the conditions in their charter; and even if they had violated these conditions, that they ought to be put on their trial; if a trial was denied them, then it would establish as a principle, that a royal charter, proceeding upon an agreement with Parliament, might be annulled by another act of Parliament; and that the property of such body corporate might be put into the hands of trustees not accountable to its owners, but to the Public. The thirteenth article of the Bill of Rights had confirmed charters, as solemnly as it had done the other rights of Englishmen; what, therefore, the situation of the East India Company would be, with respect to their charter if this bill passed, might become that of any other chartered body in Britain.

4. THE Company argued, in the fourth place, that the situation of the Assistant Directors, who were to manage the trade, must preclude them from that freedom, which was required to carry it on with spirit; that the new Directors, though constituted members of the Company, were not required to be Proprietors, and had not been bred or accustomed to commercial affairs. To be a merchant, required study and practice; and though the trust might be managed with the most pure and patriotic inten-

CHAP. I. intentions, it could not be managed well by persons unacquainted with commerce. Should the revenues be assumed by the Public, and a compensation be given to the Company, for the remainder of their term, they might then complain of a hardship, but could not of an injustice; and that, at all events, if they were to be held as unfit to manage their own affairs, and these to be put into the hands of trustees, it would be but reasonable, that these trustees should be made ultimately accountable to the Proprietors.

5. THE Company insisted, in the last place, that by putting the management of their affairs into the hands of the new Directors, a kind of *fourth estate* in the realm would be formed, able to check the energy of the executive, or the deliberations of the legislative branches. These new Directors, they asserted, would not be under controul, as the responsibility was not to be removed from the Secretary of State, and their continuance in office, for four years, might give them an undue influence in the elections for the succeeding Parliament.

THESE arguments had the effect to create an alarm, which terminated in an opinion, that the propositions had not arisen out of a proper view of the chartered rights of the Company, and that they did not comprehend regulations, calculated to introduce a better system for the administration of Indian affairs.

THE bill which had the arrangement of the *Company's foreign affairs*, for its object, was introduced with the following observations, “that great disorders had prevailed
 “in the British territorial possessions in India, and that
 “the laws of this kingdom had not been obeyed, by many
 “of the servants of the Company of Merchants trading to
 “the East-Indies.” To remedy these evils, the bill proposed to declare; that there was not, nor had been granted any privilege or authority, pre-eminence or jurisdiction, by the 13th of His Majesty, to the Governor-general and Council of Bengal, or to any other person, in the service of the East-India Company, which did, or should exempt them from a strict and faithful obedience to the orders of the Directors, or of the Commissioners, to be named and appointed, under this act, to govern and manage the affairs of the United Company. It then proposed to declare, that all the general and special orders of the Court of Directors, for regulating the conduct of the Governor-general and Council, or of any person in the service of the Company, should be implicitly obeyed, until notice should be given, by the Commissioners, of any alteration, revocation, or repeal of them. It next states, that the clause in the act of the thirteenth of His Majesty, had been construed to refer to certain forts and factories only, and not to every part of the provinces of Bengal, L. bar, and Orissa; but that, it did, and should be understood to refer to all the rules, ordinances, and regulations, issued by the Governor-general and Council, relative to forts and factories, or other subor-

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His proposition which regarded the arrangement of the foreign affairs of the Company.

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ordinate places, and to extend over whatever class or description of persons these ordinances were to operate. That such rules should be registered and published in the Supreme Court of Justice, and the substance of them translated into the Persian and Hindoostan languages, and affixed in some proper place, in each and every provincial court within the provinces of Bengal, &c. or within the territories to which they related. It farther proposed to declare, that the powers of the Governor-general and Council, and Presidents, and Councils, should, on no occasion, be delegated to such Governor alone, or to any person or persons whatsoever. And in case the Governor, or any other person should be employed in the execution of any special commission, a full report should be first made to the Governor-general and Council, respectively. The bill then states that all correspondence should, in future, be addressed to the Governor-general and Council, and that all letters from persons in offices of trust, addressed to the Governor-general, or any Member of Council, or to their Secretaries, should be laid before the Council, when the same should be received. The Governor-general was also to have the power of postponing or adjourning any question, that might come before the Council, for a certain number of days. The Governor and the Council, as well as the Presidents and Councils, were to be prohibited from ceding to, or exchanging with any native prince or state whatever, any territory which was in the possession of the United Company, or of any of the dependent Princes or States, or to accept of any acquisition from them, to the territories of the Company,

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without orders from the new Board of Commissioners. That the Governor-general should not have the power of invading or entering, with an armed force, into the territory of any native independent Prince or State in India, except upon intelligence (the credibility and importance of which should be allowed by a majority in Council, declared by them in their minutes, and subscribed by each member composing such majority) that such Prince or State was about to make war on the territories of the Company, or on the Princes or States dependent upon them. That the Governor-general and Council were not to be permitted to enter into any offensive alliance for the purpose of dividing or sharing any country between the Company and any native Prince, without orders first received from the Commissioners; nor to hire out to any Native State or Prince, any part of the Company's British or Native troops, nor to enter into any treaty for keeping up a body of such troops, in the country of any independent Prince or State. That none of the governments were to employ in any office, any person, Native or British, who should have been removed from an office or station, for any misdemeanor, or other offence, without authority first obtained from the Commissioners. That the Governor, &c. and the Company's servants in general, were to be prohibited from renting or letting any farm, or land, or any property whatever, to any Banyan or Native Steward; and if such a case should occur, the farm, &c. was to be deemed to be for the principal, who was to be obliged to account for the profits to the Company; that all monopolies, or rights of pre-emption and preference of any commodities,

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modities, in any of the Company's settlements, were to be declared, contrary to law, and void; that no debt, above a fixed amount, incurred by an advance for the support of any manufacture, or for the purchase of materials; or to any husbandman for any raw commodity, should be recoverable in any court, or by any action or suit at law, after a certain time; nor should it be lawful to imprison any person, whatever, for or by reason of any such advances. That presents, gratuities, &c. having been taken contrary to the true intent of the act, the thirteenth of the King, and the receipt of them defended, by pretending that they were for the use of the Company; it was, therefore, proposed, that if such present should not have been corruptly given, to obtain any place, or other object, to which the person giving the same should not be entitled, it should be redelivered to him, or to his representatives according to the customs of the country, and that such person should be entitled to recover the amount by an action at law. If a present were corruptly given, to obtain any place, or other object, relating to the Company's service, then the person giving it should not be intitled to recover; but the amount should be recovered for the use of the Company; if neither the person giving, nor the Company, should sue for the amount, then any person might sue for it, and receive it for his own benefit. If any person directly or indirectly, should receive presents from any Indian Prince, or native, upon any account or pretext whatever, and be clearly convicted thereof, in the Supreme Court of Calcutta, or Mayor's Court, or Court of competent Jurisdiction

jurisdiction in England, then he should be liable to certain penalties*. CHAP. I.

THE rents paid by landholders to the Company having been raised, lands farmed out at new rates, and ancient farmers and proprietors having been dispossessed, it was proposed, that all lands, within the provinces of Bengal, Bahar, and Orissa, or in territories under the administration of the Company, should be deemed to be the estates of the native landholders or farmers, who had formerly held them, unless they had been dispossessed of such lands, by the judgment of some competent court, for some crime, misdemeanor, or neglect of payment; and these lands were to be held by them, according to the customs of the country without any molestation or disturbance from the Company or their servants. It was, however, to be understood, that this clause was not to deprive the Company of the rent or tribute, which might be due to them from such native landholders, or their descendants, nor to prevent them from taking any means consistent with the laws and usages of these countries, for recovering or obtaining payment of such rent or tribute. With the object of quieting the minds of the native Princes, and preventing corrupt practices, on the part of the Company's servants, the rents were to be fixed and permanent, at an amount which had been paid, or agreed to be paid by the native landholders, in some pre-

* In the bill, as printed, for the use of the Commons, the penalties to this clause are not annexed.

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ceding year to be specified, and no other charge or payment was to be exacted. On these terms the farms were to be restored to the former landholders; but if they, or their heirs, or descendants, should prefer the pensions they had been accustomed to receive, in lieu of their lands, the same should be continued to them without any diminution. It was further proposed, that the native Princes or States in India, having the management of their own revenues, but engaged by treaty to keep up a body of troops for the service of the Company, should be declared to be under the protection of His Majesty.

As the preamble of this bill had set forth, that unwarrantable acts had been committed in, and relative to the territories and revenues of the native Princes and States, the Commissioners were to be empowered to bring the Company's servants, who might be guilty of such acts, before courts of justice, both in India and in Great Britain, for trial. None of the Company's servants, civil or military, were to be permitted to be agents to, or to farm the lands of any protected Prince or State in India. If any servant of the Company, civil or military, should invade, or make war on the territory of any native power, without having an order, in writing, under the hands of the Governor-general and Council, upon his being convicted, before the Supreme Court of Judicature, or Mayor's Court, or Competent Court, in an inferior settlement, he was to be liable to a penalty*. No protected native Prince

* The penalty is not specified in the bill.

was to be permitted to have Princes dependent on him or engaged for payment of tribute, or for furnishing him with quotas of troops, otherwise than such dependent Princes stood chargeable, at a period to be specified; these supplies of troops were not to be required of them, without the orders of the Governor-general and Council of Bengal, or President and Council of any other principal settlement. The succession to the territories of these protected native Princes was to be regulated, according to the laws of the country, and to the faith of treaties. No protected native Prince was to be permitted to rent, or to take any lease of lands from the Company; nor were they to be permitted to reside, for more than a limited time, in any of the Company's settlements, unless, when expelled from their own dominions, they took refuge in those of the Company.

NONE of the Company's servants, civil or military, were to be permitted to borrow or lend money, or to farm lands or revenues, or to be concerned in any transaction of commerce, with any protected or other Prince or State, and if convicted of such offence, to be liable to a penalty*. No protected native Prince, or State, was to be allowed to dispossess any subordinate Prince, Zemindar, or Land-holder, or to encrease the rent, or tribute paid by them, beyond what had been paid at a year to be specified. All dispossessed native Princes or Sovereigns were to be restored. Neither the Nabob of Arcot, nor the Rajah of Tanjore, nor any

* This penalty is not specified.

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tions, or of imminent danger being apprehended from them. In such cases, powers were to be given to these Presidencies to commence hostilities, or to make alliances with Indian Princes, for the purposes of warding off the danger ; but even in such event, a reservation was to be made, that alliances so formed should be approved of by the Governor-general and Council. No servant of the Company, from the Governor-general downwards, nor any Agent of the Company, nor the Agent of any native Prince was to be eligible as a Member of Parliament, 'till a certain specified time after he had quitted the Company's service, or 'till such time as it should be declared that no prosecution could be commenced against him. If such prosecution had been commenced, it was to be terminated in a limited time, unless it should appear, that the delay had been at the request, or through the default of the party prosecuted. All crimes and offences against this act, were to be matters of prosecution in the Supreme Court of Calcutta, or in the Mayor's Court, or in the Court of King's Bench, or in any court in this kingdom, which might be established for the cognizance of any such crimes or offences committed in India ; and, in cases where the punishment should not be specified by this act, the courts in which the conviction should take place, were to have the power of appointing such fine or imprisonment, or both, as they might think proper (the utmost extent of which, however, was to be specified), and they might superadd the sentence of incapacity of serving the United Company.

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Objections
made by the
East-India
Company
against these
propositions
passing into a
law.

As it seemed proper, when bringing under review the propositions, which regarded the domestic arrangement of the Company's affairs, to state the objections which the Company made to their passing into a law, the same method may be followed in stating those which they offered against the proposed administration of their foreign affairs.

1. THE Company, in the first place, admitted, (notwithstanding all the regulations in the Act, the thirteenth of the King,) that still numerous defects might be discovered in the existing system of their foreign governments in India; but maintained at the same time, that these evils could only be remedied, during the period of their charter, by new and more efficient regulations; and to these, they would be ready to pay the most implicit obedience. However proper, they contended, the proposed system might be, upon the suppositions, that our Indian provinces had been acquired by an absolute conquest, and not obtained by treaties founded on success in war; or upon the supposition, that the provinces were inhabited by colonies sent from this country; it certainly would be inexpedient, if not impracticable, to establish it, when the actual relation of Great Britain to the natives of India, was taken into consideration.

IF the armies of the East-India Company had gained victories, their foreign governments had found it expedient to enter into the most solemn treaties with the nominal and
subsisting

subsisting powers in India; and had not only in these treaties, but by their subsequent conduct, pledged the honor and faith of the British nation, to maintain the established system of Mogul government, and to preserve their ancient institutions to the natives. Some of the Sovereigns, as the Mogul himself, had nothing to convey to us, but the prejudices of the people; others of them had districts to yield to us, and others of them had Sovereignities which they had lately assumed or usurped, to participate and to divide with us. Though the fabric of the Mogul government had fallen, still the powers of all these descriptions were sheltering themselves among its venerable ruins, and, with silent, but watchful feelings, looking upon them as ramparts, behind which, should we do more than make them our tributaries, they were ready to expire. Would it then (said the Company) be prudent to force upon natives of India a system which they could consider in no other light, than as dictated by a conqueror? and would it be practicable, both to allow their ancient forms to remain, and yet to subject them to foreign institutions, which, however excellent in themselves, they could not understand? This system, they asserted, was to make the ordinances and regulations of the Governor-general and Council, after having been translated into the Persian and Hindoovee languages, the supreme law for the natives*; it went to prohibit the dependent native Princes from levying duties be-

* See clauses 4th and 5th.

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yond a fixed amount, or to farm any land for more than the sum it had been let for at some preceding period*; it was to controul these dependent native Princes in the exercise of their authority over their own inferior dependents, and yet it was to make the Zemindars and Polygars, in a measure, independent of their superiors;† it was to prohibit the native Powers to assign any territory, or produce, or revenue from it, in payment of debts to British subjects;‡ and not to allow them to reside in a British province, unless driven from their own dominions, they came to take refuge in ours;§ it was to prohibit the dependent native Princes from making offensive or defensive alliances with other native Princes, or from ceding possessions to, or receiving possessions from the Company, without orders from England, and it was to preclude the native dependent Princes from disposing of their sovereignties by will, according to the customs of the country||: It was, in one word, they added, to retain the names and forms of the Mogul government, and yet totally to alter its spirit and arrangements.

UPON this subject of foreign government, the Company farther argued against the general tendency of these propositions; that this system would place the Zemindars in a situation to make an immediate resistance to the native

* See clause 25th.

† See clauses 23d, and 25th.

‡ Clause 26th.

§ Clause 24th.

|| Clauses 8th, 9th, 14, 15, 23d.

Princes their superiors; and, in a short time, perhaps, enable them to attack the Company: It was to give an apparently extensive power to the Governor-general, and yet, in the event of war, appearing necessary, to allow the council, to clogg or stop the wheels of his administration: It was to vest the subordinate presidents with like powers, and yet to introduce reservations in whatever treaties they might conclude, which, upon all occasions, would have rendered the very entrance upon these treaties impracticable.†

2. THE Company, in the second place, objected to these propositions; that the system which would arise out of them, would render the executive powers given to the Governor-general and Council, and Presidents and Councils, inefficient; and the commercial trust reposed in the assistant Directors and Proprietors, nominal. It was to prohibit them from keeping up, or hiring out any British or native troops to serve in the countries of the independent Princes; without the consent of the Commissioners;‡ and thus to leave the impressions made upon the minds of the inhabitants, by our first conquests, as the sole means of preserving their subordination to us, or their adherence to the most solemn treaties. It was to check the Court of Proprietors in the exercising of their judgment in any com-

† Clauses 32d, 33d, 34th, 35th:

‡ Clause 9th.

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mercial plans, which might be offered to them, and to alter even the line of conducting business with the Indian manufacturer, and thus, give an opportunity to the other European companies to participate in a trade, of which England had, now, almost an exclusive possession.*

3. THE Company, in the last place, objected; that their servants were to be divested of a part of their rights as British subjects. By this system, these servants might, upon accusation, be tried for crimes committed in India, though these crimes were charged to have been done out of the Company's limits; and yet the kind of evidence which was to acquit or to convict them, was not specified;† they were to be excluded from a seat in parliament, till they had been at home a sufficient time to perform a moral quarantine, though not prohibited from having a vote on the election of a member of Parliament‡. Such circumstances would, in future, render the service of the East-India Company dishonourable; though, in its annals would be found some of the most distinguished soldiers of the eighteenth century.

Effect of these
objections
upon the
Public opi-
nion.

WHETHER these objections to the propositions contained in both the bills, and whether the reasonings in support of them were well or ill founded, time has enabled the

* Clause 12. † Clause 21. ‡ Clause 36, 37.

Public to judge. At the period, however, when they were made, they had their effect, as both bills were laid aside. The rise and tendency may easily be accounted for, from the general impression which the Public at that time felt, that strong and decisive measures were required in the administration of our Indian affairs.

A VERY short time only had elapsed, when a plan was brought forward by Mr. Pitt, with the general object of continuing to the Company the rights which they held under their charter; and, at the same time, of introducing such regulations as should more directly connect the administration of Indian affairs with the executive government. The propositions comprehended in his plan, are introduced with the observation, that they were intended for the better government and security of the territorial possessions of this kingdom, in the East-Indies. For this purpose he proposed, that a Board of Commissioners for the affairs of India should be established, to consist of His Majesty's Principal Secretary of State for the home department, the Chancellor of the Exchequer, and a certain number of the Privy Council, removeable at His Majesty's pleasure: of this Board the Secretary of State should be president, in his absence the Chancellor of the Exchequer, or, in the absence of both, the senior Commissioner; that the President should, upon a division, have the casting vote; that this Board should have full authority and power, from time to time, to check, superintend,

Mr. Pitt's
bill proposed
in 1784.

4

and

CHAP. I.

and controul, all acts, operations, and concerns, relating to the civil and military government, or revenues of the territories and possessions of the East-India Company; that it should be attended by a secretary, to be named by the Secretary of State, and subject to dismissal at the pleasure of the Board; that the duties of this secretary should be, to enter on the records all proceedings whatever of the Board; that the Commissioners should take an oath to “give their best advice and assistance for the good government of the British possessions in the East-Indies; and to execute the several powers and trusts reposed in them, according to the best of their skill and judgment, without favor or affection, prejudice or malice, to any person whatsoever.” That the Commissioners were to be informed, by the Directors, of all the transactions of the Company, in respect to the management of their concerns in the East-Indies; to have access to all papers, and to be furnished with such extracts or copies, as they might from time to time require. That the Directors were to furnish to the Commissioners, copies of their minutes, orders, and resolutions; and copies of the orders and proceedings of the general and special courts of Proprietors, within a certain number of days after the holding of such courts. They were also to furnish the Board with copies of all dispatches received from their servants in India, and with copies of all letters, orders, and instructions relating to the civil or military government, or revenues of the British possessions, proposed

to be sent either to His Majesty's or the Company's servants in the East-Indies, a certain number of days (to be specified) before sending off these dispatches. That the Directors were to be governed and bound by such orders as they should receive from the Board, touching the civil and military government and revenues in India. That the Commissioners were also, within a specified time, to signify their approbation of dispatches proposed by the Directors, or to assign the reasons of their disapprobation; and that the Directors were to send off the orders and instructions, so approved or amended, to their servants in India. No orders or instructions were to be dispatched, by the Directors, to India, until they had been communicated to the Board. If the Board should at any time send any orders which, in the opinion of the Directors, did not relate to the civil or military government, or to the revenues, that then they might apply to His Majesty in council, whose decision was to be final and conclusive.

That, in the event of a vacancy in the Council of Fort William, the Directors should not fill it up; but, after this bill had passed, the supreme government should consist of a Governor-general, and a specified number of counsellors only; and in like manner the presidencies and settlements of Fort St. George and of Bombay. That the Governor-general and Presidents should be in the nomination of the Court of Directors, subject to the approbation of His Majesty. If such approbation should not be given, then the Court of Directors should proceed to nominate

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minate and appoint some other person to these offices. If, within a time to be specified, the Court of Directors should not supply such vacancies; that then His Majesty, under his sign manual should have the power of nominating and appointing to them. That His Majesty should have the power of nominating and appointing the commanders in chief in the different presidencies and settlements, or of appointing successors to them, and also the power to remove or recall the Governor-general, or any member of council, or the governors and members of council of the subordinate presidencies, signifying the same to the Court of Directors, to the intent that a new nomination might take place. That the commanders in chief in the presidency of Fort William, and in the settlements of Fort St. George and Bombay, should have a voice and precedence in council, next after the Governor-general and Presidents; that in the event of a resignation of the governors, members of council, or commanders in chief, it should not be deemed to be legal or valid, unless made by an instrument in writing, under the hand and seal of office of the person resigning.

THAT no order or resolution of the Court of Proprietors should be available, to revoke or rescind any order of the Directors, after such order shall have received His Majesty's approbation. That all clauses in preceding acts of Parliament, or charters of the Company, contrary to the propositions in this bill, should be discontinued, and
that

that this act should be in force for a number of years, to be specified.*

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As the propositions in this bill originated in resolutions which had been approved of by the Court of Proprietors, no objections were made to it by the Company. It left their commerce entirely under their own management, and introduced only a controul over whatever resolutions they might take respecting the civil and military powers in India, and the management of a revenue that was connected with their trade. The only objections which were offered to it were, that the plan in itself would be inefficient, as it left the whole power in the hands of the Company's servants abroad ; that it had made no provision for the natives, and in particular, none for restoring their possessions to the Zemindars ; and that it threw too great a degree of influence into the hands of the executive power, by giving to it the right of appointing to the first military, and of approving the appointments to the first civil offices.

Objections
against its
passing into
a law.

IN answer to these objections, it was said, that it was impossible to give a greater degree of efficiency to the foreign governments, without infringing on the privileges which the Company held under their charter, and that all that was practicable, was *regulation*, not a *new system* ; that with respect to the tenures of the Zemindars, we were not, as yet, sufficiently apprized of the nature of them, to pre-

Answers
made to
them.

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tend to lay down any absolute rule; and that an enquiry was intended to be instituted for that end, the result of which would lead to a bill for finally arranging their claims. That so far from throwing an unconstitutional influence into the hands of the crown, it gave no more than was absolutely necessary for the public safety: for, it ought to be recollected that, it left the patronage in the Company, provided they exercised it in a manner consonant to their chartered rights, and only vested the King with authority to delegate the chief military power for defending the British possessions, to persons whom, in his wisdom, he might think the best qualified to discharge that important trust.

Effect of the
whole on the
Public opi-
nion.

THOUGH the propositions contained in this bill were laid aside by the Commons, and though the reasonings upon them are now only of importance, in so far as they may enable the public to form a broad and permanent system for Indian affairs, they had the effect to establish the principles; that an agreement made with Parliament, for a valuable consideration given to the public, upon which a charter had been granted by the King, transfers real rights to the holders, which must continue to be good, and cannot be taken away, unless the conditions upon which the contract had proceeded should have been violated; that an accessory to the property, which such a charter had conveyed, must continue with the holders of that

that charter during their term; but if such accessory should be territory, whether acquired by treaty or by conquest, it is, by the laws of this realm, the property of the public, and the holders of it, in their administration of such property, may be placed under the controul of the executive power, responsible to Parliament.*

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* Parliamentary Register 1783-4. vol. 12. p. 637.

HISTORICAL VIEW
OF PLANS,
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

CHAP. II.

REVIEW OF THE MEMOIRS AND PLANS, FOR THE FUTURE
ADMINISTRATION OF THE BRITISH POSSESSIONS IN INDIA,
AND REGULATION OF THE TRADE TO THE EAST-INDIES,
WHICH HAVE BEEN PROPOSED, SINCE THE ESTABLISHMENT
OF THE BOARD OF COMMISSIONERS FOR THE AFFAIRS OF
INDIA.

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which Indian Affairs are administered.—Alterations and Im-
provements introduced by subsequent Acts—Various Memoirs
suggested*

suggested for improving this System.—Mode of arranging them—Principles admitted in all of them.—Previous Question respecting the Rights of the Company as temporary, and in perpetuity.—Opinions suggested respecting the Expediency of embracing a new System of Indian Affairs.—Application of the preceding Principles to the Establishment of a Plan of Indian Government connected with Trade. First Objection to the Adoption of this Plan, arising from the subsisting relation between the controuling Power and the Directors, with the reasoning offered to remove it.—Second Objection, arising from the Difficulty of devising a Mode of Government, after the Relation of the Trade, with the Revenues, should be dissolved; with the Reasonings offered to remove it.—Third Objection, arising from the Difficulty of arranging the Patronage, with the Reasonings offered to remove it.—Fourth Objection, arising from the actual State of the Company's Debt, with the Expedients suggested to remove it.—Measures recommended to be taken by the Company, and the State, for carrying this Plan of Government into Effect.—Application of the Principles upon which this Plan was founded, to the future Regulation of the Trade to the East-Indies.—General Characters of this Trade;—particular Character of the Indian Trade;—First Objection to this Plan, arising from the Check it might give to the present Exports of British Manufactures by the India Company; with the Reasonings offered to remove this Objection.—Second Objection, arising from the Injury which the British Manufactures, that depend on the Raw Materials imported by the Company, might sustain, if their Imports should be

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checked;

checked; with the Measures by which it was proposed, to remove the force of this Objection.—Third Objection, arising from an apprehended Loss of the present Revenue, paid to the Public by the Company; with the Measures proposed for securing to it the same Amount—Scheme for continuing the exclusive Privilege of the Company to the Trade to China;—Reasons for embracing this Scheme, arising from the Nature of the Trade, and from the Character of the Chinese;—from the Injury which the British Trade to China might sustain, if the Efforts making by the Company, to render the Circuit of their Trade wider, should be stopped.—Conclusion for a Monopoly in the China Trade.—Plan proposed to be submitted to Parliament, for the Establishment of these Systems of Government and of Trade.—Principles upon which this Plan proceeded;—Propositions comprehended in it;—Opinion suggested in the conclusion of the Memoir.—Application of these Principles to a proposed System of Revenue and Finance;—general Object of this Plan.—Abstract of the Amount of the Revenues at home and abroad as applied to the Claims of the Company on the Public.—Substance of the Observations made on the Amount of the Revenue at home;—Opinions of the Authors on this Subject.—Remedies proposed by them to remove the Difficulties which might occur in the final Arrangement of their Plan.—Abstract of the Amount of the Revenues abroad, as applicable to the Claims of the Company on the Public.—Estimated Extent of these Claims—Result of the Whole of these Observations, suggesting;—First, a Doubt respecting the Propriety of separating the Revenue from

from the Trade;—Second, a Doubt respecting the Effect of this Separation on the Constitution of the British Government;—Third, a Doubt respecting the future Prosperity of the Trade, if shifted from the present Plan; (Consequence arising from examining the Foundations of this last Doubt;)—Fourth, a Doubt whether, upon this Plan, the Debts of the Company could be discharged, and the expected Compensation given?—Termination of these Doubts in a Plan for vesting the State with the Territories, and leaving the Trade, under an exclusive Privilege, to the Company.—Preliminary Question respecting the Buildings which would be required for Government, and those which must be retained for the Trade, with the Answer.—Remark upon the Answer given to this Question.—Second Question respecting the Sum which would be required to purchase these Buildings from the Company, with the Answer.—Third Question respecting the Sum which the Company would ask, as the Value of their Military Stores, with the Answer. Fourth Question respecting the Offices to be held under Government, and under the Company, with the Answer.—Remark on this Answer.—Fifth Question, respecting the Number of Civil and Military Supernumeraries, with the Answer.—The Result of these Enquiries was, that this Plan, in the present Circumstances, was impracticable.—The last Plan, which has been proposed, was, to renew the Company's Charter, and to render the controuling Power more efficient.—General Reasons assigned for adopting it.—Variations from the present System proposed, viz.—To new model the Court of Directors;—to open the export Trade to India;—to new model the

Army;

Army; to fix and define, more precisely the Powers of the India Commissioners, and of the Court of Directors.—Remarks on the probable Effect which these Alterations would have on the Responsibility of the Court of Directors; and, on the proposed Duties of this Court.—Remarks on the proposition for opening the Export Trade to India.—Remarks on the proposed Arrangement of the Army.—Remarks on the proposed Connection between the Executive Government, and the Court of Directors, as it might affect the Constitution of Great-Britain, or the Interests of the Company.—The End proposed in this Review of Plans.

AS the public attention had been directed to the consideration of Indian affairs, by the successive plans which had been offered to the Legislature, for introducing order and system into the administration of the Asiatic interests of Great Britain, one of the first acts which passed in the Parliament that met in May 1784, was, “An Act for the better regulation and management of the affairs of the East-India Company and of the British Possessions in India, and for establishing a Court of Judicature, for the more speedy and effectual trial of persons accused of offences committed in the East-Indies.”

Abstract of the Act 1784, establishing the present regulations, under which Indian affairs are administered.

As this Act, with some few amendments, constitutes the present system of Indian affairs, it may be proper to

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point out the principle upon which it proceeded, and the regulations which it established, that we may more fully discover the sources of those improvements which have been suggested as necessary and expedient, when the subject of the Company's Charter shall come under the review of the Legislature.

THE principle upon which this bill proceeded, was, that during the remaining years of the Company's Charter, Parliament, for the general advantage of the empire, should have the power of superintending and controuling the management of their affairs in the East-Indies, but leave with the Directors and the Proprietors the enjoyment of their existing privileges. With this object, His Majesty is empowered to appoint six Privy Counsellors to be Commissioners for the affairs of India, of which, one of the Secretaries of State is President, and in his absence, the Chancellor of the Exchequer, and in the absence of both, the senior of the Commissioners, according to the date of his appointment. Three of the Commissioners constitute a board. This board is empowered to superintend, direct, and controul all acts, operations, and concerns, relating to the civil or military government, or revenues of the British territorial possessions in the East-Indies. The Commissioners hold their appointments during His Majesty's pleasure. The Secretaries and other officers of this board, are in the nomination of the President. The Commissioners take an oath to "give their
" best advice and assistance for the good government of the
" British possessions in the East-Indies; and to execute the
several

“ several trusts reposed in them, according to the best of
 “ their skill and judgment, without favor or affection, pre-
 “ judice or malice, to any person whatsoever.” The officers of the board are to take such oath of secrecy as the Commissioners shall direct. The acceptance of this trust does not disqualify the Commissioners, or the Secretary, from being Members of Parliament. They having access to all the records and papers belonging to the East-India Company; and the Court of Directors are required to deliver to them copies of all resolutions, orders, minutes and proceedings of their own, or of the Court or Proprietors, in so far as relates to the civil or military government and revenues of the British territorial possessions in India, within eight days after the holding of such courts; copies also of all the dispatches which the Directors, or the secret Committee may receive from their servants in the East-Indies, are sent to the Commissioners immediately after the receipt of them. Copies in like manner of all letters, orders and instructions proposed to be sent to their servants in India, are laid before the board, who are to return the same within fourteen days, subscribed by three of the members, signifying their approbation, or such alterations as they think expedient, with their reasons for such alterations. These orders are forthwith dispatched, in their amended and approved form, to the Company’s servants in India, who are to pay obedience to them. The Court of Directors are not to send any orders to their servants in India, without the approbation of the Commissioners. And if the Commissioners send orders or instructions to be dispatched for India, or alter those proposed by the Directors, such orders are to be forwarded forthwith,

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unless, upon a representation, the board shall think it expedient to vary or to change such instructions. It is reserved, however, to the Directors, on receiving orders not connected with the civil and military government and revenues, to appeal to His Majesty in Council. In all matters requiring secrecy, such as levying war or making peace, treating or negotiating with the native Princes or States of India, the orders of the Board may be addressed to the secret Committee of the Court of Directors, who, without disclosing them to the Court, are to forward them to the Governments or Presidencies abroad. In return, these Governments send, under their seals, their answers to the secret Committee, which are forthwith communicated to the Commissioners. The secret Committee is established as a part of the domestic government of the Company, and consists of three members of the Court of Directors. The duties of this Committee are to transmit the orders above specified to the governments in India, with duplicates and orders signed by themselves, to carry the same into effect. The Commissioners do not nominate any of the servants of the Company.

HAVING thus specified the manner in which the executive powers, formerly vested in the Company, are exercised jointly by the Directors and by the Commissioners, the act proceeds to new model the foreign governments: That of Bengal consists of a Governor-general and three Counsellors; the Commander in Chief of the Forces was to have precedence in Council next after the Governor-general. The governments of Madras and Bombay are each vested in a President

sident and three Counsellors, appointed by the Directors. The Governors in each Presidency have the casting vote. His Majesty, by a writing under his sign manual, or the Directors, by a writing under their hands, may recall any Governor-general, or other officer civil or military, from India; intimation of such recall, when made by his Majesty, being given within eight days, to the Court of Directors. Vacancies are filled up by the Directors from the covenanted servants of the Company, except in the offices of Governor-general, President of Fort St. George and of Bombay, or of Commanders in chief; to which the Directors are at liberty to nominate any other of His Majesty's subjects. The Commanders in chief, however, do not succeed to the office of Governor-general or President, at Fort William, Fort St. George, or Bombay, unless specially appointed to the succession by the Directors. If the Directors neglect to supply such vacancies, His Majesty may do it; but, in this case, the power of recall is in His Majesty only. It is left with the Directors to appoint eventual successors to the members of the different governments, or to the Commanders in chief, under the preceding limitations. In case of the members of council being reduced to two, the senior servant of the Company succeeds, till a nomination is made by the Directors. The resignation of these officers must be communicated in writing. The orders of the Directors, upon this and other subjects, when approved of by the Board of Commissioners, cannot be revoked by the Court of Proprietors.

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THE Governor-general and Council of Fort William, have a controul over the other governments belonging to the Company, in all points that relate to the country powers, or to war or peace, or to the application of revenues, or to such other points as may be specially referred by the Court of Directors to them; and, in general, their superintendance extends to all cases, except when a subordinate presidency may have received positive orders or instructions from the Directors, or from the Secret Committee, repugnant to the orders or instructions of the Governor-general and Council.

THE bill next contains rules for the conduct of the several Boards abroad. They are first to proceed to the consideration of such questions and business as may be proposed by the Governor-general or Presidents, and then of such matters as may be proposed by the members of Council. The Governor and Presidents may postpone or adjourn the discussion of business for forty-eight hours, but not more than twice, without the consent of the Council, or of the member by whom the question has been brought forward. The Governor-general and Council are prohibited from declaring war against any Indian state or Prince, without the express authority of the Directors or Secret Committee, except when hostilities have been commenced, or preparations actually made for the commencement of them, either against the British nation in India, or against dependants or allies of whose territories the Company have become guaranties.

In

In case of hostilities being commenced, war is not to be declared against any other Indian power than the aggressor; nor is the Governor to enter into a treaty for guaranteeing the possessions of any other state, except such state engage to assist the Company in repelling such hostilities. In these events the Governor-general and Council are to communicate full information of the same to the Court of Directors, by the most expeditious means, stating their motives and reasons at large. The Presidents of the subordinate settlements are to act in like manner, with respect to the levying war or entering into treaties, except in cases of urgency, or where they have received orders from the Governor-general of Fort William, or from the Directors, or from the Secret Committee. All treaties, however, made by the subordinate Presidencies, are to be subject, if possible, to the ratification or rejection of the Governor-general and Council. For disobedience of such orders, these Presidents and Members of Council may be suspended by an order from the Governor-general and Council, to whom they are to transmit copies of all acts in Council, with advice and intelligence of all transactions or matters which it may be material for the Governor-general and Council of Fort William to be instructed in.

THE act then proceeds to give directions for investigating and adjusting the debts of the Nabob of Arcot, in such manner as should be consistent with the rights of the Company and honor of the Nabob; as also for settling the claims between this Nabob and the Rajah of Tanjore; and further directs,

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directs, that an enquiry be instituted into all cases where complaints had been brought of the natives having been dispossessed of their lands, or oppressed, that effectual redress might be afforded to them; and that methods might be devised for settling the tributes and rents, upon the principles of justice and moderation; and, in fine, that the proportion which the landholders should pay to the Company, should be fixed according to the laws of India. The Directors are then enjoined to adopt measures for retrenching expenses, regulating promotions according to seniority, and ordered annually to lay before Parliament lists of all offices in India, with the emoluments annexed to them. The age at which writers or cadets may be appointed, is fixed to be, from fifteen to twenty-two.

THE regulations for the Courts of Justice follow those for the internal arrangement of the settlements. All British subjects are declared to be amenable to justice for acts done in India, by subjecting them to Courts of Law, either in India or in Great-Britain. Servants of the Company, and British subjects, in general, are prohibited, under certain penalties, from receiving presents from the natives. Disobedience to the orders of the Directors is declared to be a misdemeanor at law, of which, making a corrupt bargain to obtain any office in India, is deemed to be an example. The Company cannot compound with, or release persons convicted of extortion or other misdemeanor in their courts, nor restore them to the service.

THE bill then lays down regulations respecting the revenue officers, who are to take an oath to discharge their duty faithfully, and not to accept of presents, &c. The Governor-general or Presidents are authorized to issue warrants, for securing persons suspected of illicit correspondence, for committing them and bringing them to trial in India, or to send them to England for trial. Precautions are next pointed out, for detecting persons returning to Europe with fortunes illicitly obtained. Officers, civil or military, after the period of five years residence in Europe, are not to return to India without consent of the Proprietors, except the excuse of sickness has been admitted by the Directors and Commissioners.

THE mode of forming a Court for trying Indian delinquents is next defined. The act requires, that within thirty days from the commencement of every Session, the House of Lords shall chuse, by ballot, twenty-six or more members of their body, and the House of Commons forty, or more, of theirs. The Speaker of each House is to transmit such list to the Clerk of the Crown in Chancery. Whenever a commission is to be issued under the great seal, these lists are to be delivered to three Judges of the different law courts, who, if the lists shall contain more than the above number of twenty-six and forty, are to draw by lot within three days that precise number of each. They are then to give notice to the members so chosen, to the party accused, and to the Attorney-general, or other prosecutor, of the time and place of drawing, by lot, the names of the members

CHAP. II. to be constituted commissioners for trying the information.

THE names of the Members of either house returned, who shall not attend, in consequence of notice, are to be transmitted to the Speakers, and the defaulters are to forfeit £.500 each. The senior Judge present is to act as President of these Commissioners. No person holding a civil office under the Crown during pleasure, or who shall have been a Director of the Company, or have held any employment under it, can be of this Commission. The party to be tried has the liberty to challenge, or make exceptions to any thirteen of the Peers, or twenty of the Commoners, and the prosecutor has the like liberty to challenge any of the names, upon his assigning satisfactory reasons to the Judges, or to the majority of them. The first four names of the Lords, and the first six of the Commoners not challenged by either party, are to be returned to the Lord High Chancellor, to be inserted with those of the three Judges, in a special commission. The persons so appointed are to meet within ten days, and to take an oath, that they will try and determine the case, to the best of their judgment, and according to evidence. And in case the number of names so drawn out, be reduced by challenges to less than four Peers and six Commoners, then the Judges shall certify the same to the respective Houses of Parliament, who shall proceed afresh to ballot the names to be inserted in the new commission, in the same manner as in the original one.

THE powers of the Commissioners are to hear and determine every information, and to pronounce judgment according

according to common law, for extortion or other misdemeanor, and to declare the person convicted incapable of serving the United Company. Seven Commissioners to make a quorum, to have the power of appointing a register, of issuing subpœnas for the attendance of witnesses, of sending for persons, papers, and records, of punishing prevaricators, of binding to recognizance all the goods of the principal party, at the time of entering into the same; and if the party be found guilty, and adjudged to pay a fine, the Attorney-general is to exhibit interrogatories before the Court of Exchequer, as to his estate and effects and if he refuse to answer, his whole estate, &c. shall be forfeited, and himself imprisoned at the discretion of the Court. To remove the difficulty of obtaining evidence, witnesses may be examined in India, by a writ of Mandamus, and their evidence transmitted to the Court of King's Bench, to be delivered by the Chief Justice of the King's Bench, or one of the Judges, to the Lord Chancellor, during some one of the three ordinary terms; depositions so taken and received are to be held by the Commissioners as legal evidence. Writings also received by the Court of Directors from India, and copies of writings sent by this Court to their servants in India, relative to the charge in the information, may be admitted by the Commissioners as evidence. At the prayer of the prosecutor, the Court of King's Bench may order an examination of witnesses upon interrogatories. Such trials, however, must commence within three years after the return of the party from India. The act concludes, that nothing contained in it shall affect the rights or claims of the Public or of the Company, to the territorial revenues and acquisitions in India.

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Alterations
and improve-
ments intro-
duced by sub-
sequent acts.

SUCH is the outline of the act of parliament, under which, Indian affairs have been administered since 1784. It may easily be supposed, that a bill of regulation on so extensive a subject, would require alterations and improvements, as cases occurred, which could not either be foreseen or provided for, when the Commissioners were first entering on the discharge of such important duties. It was experience alone which could point out either to the Commissioners for the affairs of India, or to the Court of Directors, the changes necessary to accommodate this new system to practice, or to bring it to maturity. The intercourse between the Secret Committee and the Board of Commissioners, and the new arrangements in the different boards, among which the business of the Presidencies in India was divided, led to a correspondence on the actual state of the civil, military, financial, and political branches of Indian affairs, and to investigations respecting the relation which the British provinces bear to the Indian powers which surround them. The result necessarily was, that alterations were required in many of the clauses of the bill 1784, particularly in those which regarded the politics in India, and in those, which prescribed the mode of proceeding in the trial of Indian delinquents at home.

THE principal improvements on the regulations for the foreign government were introduced in 1786, of which the following is an outline.

THE servants of the Company, whether in India or not, at the time of their nomination to be members of Council, are acquired to have been for twelve years resident in India, in the civil line of the Company's service. The clause respecting the succession of the senior servant to a seat in Council, should it be reduced to two, including the Governor, was repealed, and the Governor or Presidents vested with the power of selecting from the servants of the Company of twelve years standing, persons to succeed to such vacancy, if no provisional successor had been nominated by the Directors. The Commanders in Chief, in the different Presidencies are not, by virtue of such office, to have a seat in Council, though the Directors may appoint such Commanders to be Governors, Presidents, or Members of Council. The Governors or Presidents are to have the power of carrying any measure into effect, though the Members of Council should dissent; but after the reasons of their dissent have been heard and recorded, such Members are to sign the orders of the President, for the purpose of giving them full validity. The responsibility, however, in such cases, is in the Governor-general and Presidents, when they exercise this power. This power is not to be exercised by the successors of Governors or Presidents, unless they have been provisionally nominated by the Directors. Exceptions are made in the exercise of it, that it shall not extend to judicial cases, to the suspension of general rules or orders, or to the imposing of taxes or duties. All orders and proceedings are to be expressed, as made by the *Governor-general in Council*, or by the *Governors or Presidents in Council*. The orders of the
Governors

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Governors or Presidents in Council are to be signed by the principal Secretary, or by his Deputy. Vacancies (under the degree of Counsellor) are to be filled up in the following manner. No office, the salary and emoluments of which should exceed £.500, is to be conferred upon any servant, who has not been resident three years in the settlement. For offices above £.1500 per annum, six years residence is required, of £.3000 nine years, of £.4000 twelve years; and to guard this arrangement still farther, no person is to have two offices, which, together, shall exceed the above proportions, but under the like restrictions.

To render the orders of the Commissioners more efficient, when communicated to the Secret Committee, the act concludes with defining more precisely the duties of its members; they are each to take an oath “not to disclose or “make known the orders or instructions given them, save “only to the members of the Committee, or to such persons “as should be employed in transcribing or preparing the “same,” who in like manner were to take an oath of secrecy.

By another act of the same year, the Directors are vested with the power of nominating the Governor-general and Council, upon their own authority.

It was, at the same time, found necessary to introduce a bill for explaining and improving the constitution of the Court of Commissioners for trying Indian delinquents. By this act each Peer may deliver a list of twenty-six

Peers, and each Commoner a list of forty Commoners, to the clerks of parliament, to be opened in presence of their respective speakers. These lists are to be referred to a Committee of each House, who are to report the names of such Lords and Commoners as are found in ten or more of the lists. If such names shall not amount to twenty-six Lords and forty Commoners, new lists are to be delivered in for supplying such deficiency, upon the same principle with the original list, till the number is compleated. Persons holding offices under the Crown during pleasure, persons being or having been Commissioners for the affairs of India, or persons being or having been Directors, or servants of the Company in India, are excluded from being nominated Commissioners. The party to be tried, and the prosecutor, may challenge thirteen Peers and twenty Commoners. The first five names of the Peers, and the first seven of the Commoners, which shall not be challenged by either party to be returned by the three Judges to the lord Chancellor, and to be inserted, with those of the Judges, in a special commission, and to take an oath "that they will diligently attend the trial, and hear and determine to the best of their judgment, according to the evidence which shall be given." Ten Commissioners, at least, are required to try the information, and the majority are to decide. If the number be reduced to less than ten, a new commission is to be awarded. Provisions are then made in case any of the Commissioners shall be absent; the Commissioners are vested with the power of adjourning, and of appointing clerks and officers of court; a Judge is authorized,

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rized, during the recess of Parliament, to award an attachment against a defendant, who also may surrender to a Judge out of court. A defendant not attached or not surrendering, may be prosecuted to judgment. After notice is given in the Gazette, judgment may be pronounced in his absence. The Commissioners are empowered to commit a defendant, till judgment is pronounced; as also persons for contempt or disturbances in court. Judgment is to be carried into effect by authority of the Court of King's Bench, and is not reversible by writ of error: Informations and pleadings are to follow the ordinary practice, until issue shall be joined; but the party is not to be deprived of any right he is entitled to by law. Informations may be entered in the Court of King's Bench, and fines recovered from the property of the parties in the East-Indies, when their estates in Britain are insufficient. Examinations, in India, before Courts of Justice, are to be sealed up in these courts, given to the agents of the parties, and delivered to the clerks of the Court of King's Bench. Persons resident in India are made amenable to the Courts of Judicature there, and civil and criminal jurisdiction given to the Governor and Council of Fort St. George, in the Courts of Oyer and Terminer, and to the Mayor's court at Madras. Persons returning from India are not to be required to deliver inventories of their effects. Offences against the laws for securing the exclusive privileges of the Company, may be tried in the East-Indies. The powers vested in the Governors and Presidents of seizing unlicensed persons and ships are confirmed and defined; bonds executed in the East-Indies are to be held

held as evidence in Britain, and bonds executed in Britain, reciprocally in the East-Indies.

FROM the situation of affairs in Europe, in 1788, it became necessary to explain more accurately the powers of the Commissioners respecting the extent of the European military force, which they might order to be supported by the revenues of India.

AN act, therefore, passed, by which the executive power was authorized to defray, out of the revenues, the expenses of a specified number of European forces, but restricting the Commissioners from making any increase of the established salaries and allowances of any office in the service of the Company, unless such increase shall be specified in some dispatch, proposed by the Directors, and the reasons be laid before parliament, thirty days before such dispatch shall be sent out. This increase to be added to the next list of establishments laid before Parliament by the Directors. The Directors, within fourteen days after the first of February in every year, are to lay before Parliament an account of the produce of the revenues, the annual disbursement of each settlement, the amount of the bond and other debts, and the interest paid on them.

IN consequence of the war with Tippoo Sultan, an act passed in 1790-91, empowering the Commissioners to send

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an additional number of European troops under similar restrictions. And in the same year an act passed to enable Lord Cornwallis, as Governor-general, or his successor in that office, to conclude treaties with any of the Indian powers, or to issue orders to the Governors and Councils of Fort St. George and Bombay, in the same manner as he could do in Council, at Fort William. The exercise of this power is limited to a specified time, after the termination of the war; and is revokable by the Court of Directors, with the approbation of the Commissioners for the affairs of India.

SUCH is the present system of Indian affairs; of which, the administration is vested in the Directors, and in the Commissioners responsible to Parliament; and the commerce, farther than in its connection with the revenues, in the Directors; while a prompt and a discretionary power is given to the Governor-general and Council, responsible, for their own and for the proceedings of the subordinate Presidents and Councils, to the Directors and Commissioners.

Various memoirs suggested for improving this system.

It may easily be supposed, under this system, and as the expiration of the Company's charter approached, that men with local information abroad, and in the actual discharge of offices under the Company, and that men who were connected with Indian affairs at home, would direct their attention to the formation of plans, calculated to improve the government of our Indian provinces and to place the

trade

trade to the East-Indies upon a new basis. The opportunities afforded the servants of the Company in India, by the connections of the different presidencies with the Asiatic powers; the enquiries which were carrying on by the residents at the native courts, to strengthen our alliances and extend our trade; the opinions which were forming upon these subjects in England; and the prevailing speculations on Eastern commerce; all tended to suggest plans for new modelling the system of Indian government and trade.

To bring the whole of this information into a simple order, we may, in the first place, state the principles in which the whole of the memoirs, containing these plans and schemes, seem to agree; and next make a digest of them, in the order of time and of the subjects.

Mode of arranging them.

It seems to have been generally admitted, that the Public have a positive right to dispose of the territorial possessions in India, and of the trade to the East-Indies, at the expiration of the present Company's term. That the Indian revenues can only be realized in Britain through the medium of the trade; that the Company must be left in a situation to discharge their debts; that it will have a claim upon the Public for the losses it may sustain in relinquishing its settlements; that in the event of the territories being assumed by the Public, the Company will remain a body corporate, entitled, as well as His Majesty's

Principles admitted in all of them.

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other subjects, to carry on a trade to the East-Indies, and upon a joint stock : that all the subsisting treaties which the Company have entered into with the native powers, must be considered as the acts of the nation, and be strictly observed and fulfilled; and that the covenanted servants of the Company must not be left in a worse situation than that in which they may be found at the expiration of the Company's charter.

Previous question respecting the rights of the Company, as temporary and in perpetuity.

BEFORE we proceed to give an account of the manner in which these principles have been applied to the subjects of Indian government, trade, and revenue, it may be proper to advert to the distinction in the Company's rights, which has been pointed out by the lawyers. They have asked the question, *What rights are the Company actually vested with?* In examining this subject, they introduce a distinction between the rights which are *temporary*, and those which the Company hold *in perpetuity*.

THE *temporary rights*, they say, are chiefly those to the revenues which the Company draw from the territories that have been acquired either in war, or by treaties with the native powers; the exclusive privilege of trading to India and China to March 1794; to have the sums due to them by the Public repaid; and to administer their own affairs both in India and in England, during the continuance of their charter.

THE rights which the Company hold in *perpetuity*, are chiefly the following : To be a body politic and corporate, with perpetual succession, and consequently to have a title to purchase, acquire, or dispose of property for value ; to the possession of the islands of St. Helena and Bombay, conveyed to them by the London Company, under parliamentary faith, and a royal charter ; to their factories and store-houses on the peninsula of India, and in some of the islands in the Eastern seas ; to the towns of Madras, Calcutta, &c. and to the districts around them, purchased or acquired under the like sanction and for the purposes of procuring the necessary provisions for the maintenance of their servants ; to Fort Marlborough, in the island of Sumatra, and to the rents of the district round it ; to build fortifications for protecting their factories, to raise, pay, and employ land and sea forces, within the limits of their trade ; and to carry on a trade on their joint stock, though their *exclusive privilege* should cease and determine.

THOUGH there can be no obstacle from reasonings on the temporary rights of the Company, to any system of government, which may be proposed ; their *rights in perpetuity*, if good, would render it difficult for the Public, either to institute a new Commercial Association, or to lay open the trade to the nation at large, with any effect. A new trading Association might be excluded from the principal seats of trade, by the Company exercising those rights ; and thence be forced to have recourse to the Public for new seats of trade

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trade, which could not be established but at an immense expense. Individual merchants might, for a like reason, have the same recourse to the Public, which, in this case, must also be at the charge of more establishments. This difficulty however, it is presumed, is not insurmountable. When the Company acquired its territories, it does not appear that it supposed itself to be possessed of such rights; at least, there is no evidence upon record, that the Proprietors entertained such an opinion. When, in 1766-7, the Company made an agreement with the Public, no pretensions to any such rights were advanced. The very same silence upon the subject prevailed, when the Company made their agreement with the Public in 1773. It appears, however, that the House of Commons were aware of these legal distinctions: for, in 1767, when they were forming their resolutions respecting the rights of the East-India Company, they proceeded, upon the opinions of Mr. Yorke, then Attorney-general, and of Mr. Pratt, then Solicitor-general, “that all acquisitions, territories, &c. made by arms, or by treaty, by the subjects of this realm, do, of right, belong to the state.”

Opinions suggested respecting the expediency of embracing a new system of Indian affairs.

THOUGH the adoption of this opinion by the House of Commons, may be considered to have done away the difficulty respecting the question of right between the Public and the Company, it by no means is calculated to decide the more delicate question of expediency; how far it would be proper in the state, to exercise this right, or practicable to do so, and

and yet render the revenues, which must pass, through the medium of trade, productive in Britain ?

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ON the first view of this subject, the authors of different memoirs thought, that the territories and revenues ought to be taken into the hands of government, the amount be applied to defray the civil and military charges, and the residue remitted to Britain, through the medium of trade. On a more full consideration of the facts, however, it was found, that the revenues and the trade, were so intimately blended with each other, that the credit which supported the last, would be weakened, if the influence, arising from the management of the first, should be removed from the Company.

UPON the basis of this conclusion, as well as of the preceding principles, it was proposed to introduce a system which should have for its object, a better plan of government in India, than that which at present subsists, and yet should connect it with the trade. In this plan the following method of settling the government was suggested ; that Parliament should declare His Majesty's sovereignty, over all the British possessions in the East-Indies ; that the administration of them should be vested in the executive government, with a responsibility to Parliament ; that the Crown should have the power of appointing the Governor-general, and Supreme Council, the Presidents and Councils in the subordinate settlements, the Commanders

Application of the preceding principles to the establishment of a plan of Indian government connected with trade.

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in Chief in each of the Presidencies, the Supernumeraries for the civil and military departments, and particularly Officers in the revenue branch; that the Supreme Government should continue in the Presidency of Bengal, to which the other Presidencies should make reports, that the whole might be one great establishment; that all the forts, garrisons, military stores, &c. should be declared to belong to the Crown, a reasonable compensation being allowed to the Company for the value of them; that the revenues, in India, should be under the administration, and at the disposal of the controuling power, in Britain, with a responsibility to Parliament, as it would be absurd to place the revenue in any other hands, than those to which the sovereignty was to be entrusted; that the Company should be relieved from their debts, beyond the fair amount of their assets, and be entitled to pay off one million of their bond debt, out of the profits of their trade; that the dividend, upon the capital stock of the Proprietors, should be eight per cent. annually; that an easy mode should be devised, by which the Creditors of the Company abroad might raise money on their shares in the debt of the Company, which was to be funded; that a mode not less simple and advantageous should be devised for enabling the servants of the Company to remit their fortunes to Britain; that on the basis of the 22d of Geo. II. and 26th Geo. III. the security of the annuity paid, by the Public to the Company, should rest on the faith of Parliament, as pledged for it.

IN illustration of this plan, and to remove the objections which might be made to it, the substance of the observations offered to illustrate this plan, is nearly as follows :

1. It may, in the first place, be difficult to say, whether the plan of controul by a Board of Commissioners, is, in itself a perfect one; and in the next place, to find upon a general view of all the circumstances of the case, (viz. the trade, the revenues with which that trade is connected, the effect which those revenues have had on the credit and influence of the Company, the danger of weakening the one, or diminishing the other) whether any, but the plan of controul, be practicable.

First objection to the adoption of this plan, arising from the subsisting relation between the controuling power and the Directors, with the reasoning offered to remove it.

A SINGLE fact is considered to be decisive upon this subject ; that the revenues of the Indian provinces can only be realized in Britain, through the medium of commerce. If the controuling power is to continue to be responsible, it ought to be made active and absolute: to give it either of these characters, the revenues must be placed under the sole management of the Board of Commissioners, and the surplus of them afforded to the Company, for the purposes of their investment; in return, the Company ought to give bills on England for the amount. If this system be embraced, then the correspondence on the subject of revenue, and that on the subject of trade, ought to be placed under two distinct bodies; the former should be entrusted to the Commissioners for Indian affairs; the latter, to the Court of Directors; the Commissioners should be under no

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IN any communications, however, to these Assessors, the Board ought to be entitled to direct itself, by its own discretion, without any title in the Assessors, either to remonstrate, or to protest. In particular, the Board ought to have the power of communicating such parts only of the dispatches, as they may think necessary and requisite for the Assessors to know, for their instruction, in the management of the commercial part of the Company's concerns proposed to be left to the Directors.

WITH the view of simplifying this plan, the political correspondence, or in general, whatever regards the civil and military establishments abroad, and the management of the revenues, ought to be placed, entirely, in the Commissioners; while the commercial correspondence ought to be left, wholly, with the Court of Directors. If it should be said, that the absolute controul, proposed to be given to the Board of Commissioners, would be introducing a principle repugnant to that upon which the acts of 1784 and 1788 proceeded; the answer is obvious; the cases are different. Before the expiration of the Company's charter, they were vested by an act of Parliament and a royal charter, with the management of their territories and revenues, and could not have been deprived of them without a breach of justice, and of parliamentary faith: after it, the Company will remain a body corporate, with the privilege to trade to the East-Indies upon their joint stock; but it will be in the wisdom of the Legislature to determine, whether it will take the revenues into its own management, or, again, entrust the administration of them to the Company, or whether it will again grant the Company the same exclusive privileges.

It cannot, however, admit of any doubt, that if the Commissioners for India affairs are to be continued, the more active the controul given them, the more responsible will they become to the Public; and it can admit of as little doubt, that the Directors, who are to become Assessors,

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will form a sufficient check upon any encroachments, which the Board might make upon the commercial proceedings of the Company.

MANY questions will occur, relating both to the internal politics of India and to the relation which our possessions bear to those of the other European powers, having interests in the East, which it would be unwise and improvident to state to the Directors; more particularly, when (according to this plan) through their Assessors they would become possessed of every species of information, which could, in any way, promote their commercial proceedings.

Second Objection, arising from the difficulty of devoting a mode of Government, after the relation of the trade with the revenues should be dissolved; with the reasonings offered to remove it.

2. IT may be difficult, in the second place, to say what plan for the internal government of our Asiatic possessions ought to be adopted, upon the supposition, that the political administration of them should be disjoined from the management of the trade. Upon this subject the substance of the observations offered in illustration of the general plan, seems to be nearly as follows:

IN 1781, it was the intention of government to assume the territories as the immediate patrimony of the Public, and to place the management of the revenues under the executive government. This idea was suggested, in consequence of the opinion which has been already stated, respecting the rights of the Public to territories acquired by the Company. In order, therefore, to accommodate the plan which has been suggested to this legal principle, it

it was said, that it might be proper to consider the treaties which the Company had entered into with the Moguls, Soubahdars, and other native states, as *fraudulent and colourable only*, His Majesty's rights remaining unprejudiced.

IF this line of conduct should be adopted, then an undivided sovereignty ought to be assumed, and the distinctions of *Nizamut* and *Duannee* abolished. This might be a simple, but, in the opinions of the most informed of the Company's servants, as detailed in the preceding chapter, it would be a hazardous experiment. If the name of King was to be substituted for that of Mogul, or, even for that of Soubahdar, an opinion would naturally arise among the Hindoos and Mussulmen, that something more violent was meant than a mere change of names. The characters of the natives require the most delicate attention, and no feature in them is so strong as their attachment to their established opinions. These must neither be shocked nor trodden down; for, in Mr. Hastings's language, "the touch of chance, or the breath of opinion, might dissolve the British power in India."

PRESUMING, therefore, that this will be admitted as a principle, the author of the plan, which has now been sketched out, recommends; that, in consistency with it, the Governor-general ought to be vested with absolute power in India, and positive responsibility at home; that even if the sovereignty of the King should be declared, the name of His Majesty

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Majesty ought never to be used in criminal proceedings, as such a circumstance would, naturally, appear a very violent intrusion on the rights which had been secured to the natives by treaties with the Company: that it would be more prudent, in this particular case, to employ the name of some of the natives themselves, who might be raised to a proper rank by the Governor-general; that it might be expedient, in the same way, not to use the name of the King, in proceedings in the civil courts of justice, as in these a similar mode of meeting the opinions of the natives might be adopted. Still farther to conciliate the natives to this plan, the authors recommend, that, with the declaration of the sovereignty of the King, a declaration of a general toleration in religion should be published; and that the natives should be left under the protection of their own laws, and not have the right to claim the benefit of British subjects, unless they resided within the jurisdiction of the Supreme Court of Judicature.

BESIDES these more important considerations, the opinion, in these memoirs, is, that it would have a beneficial tendency, if the Governor-general should be vested with power to gratify either the vanity or ambition of the natives, by conferring on them ranks known and esteemed in the country, and in a way that should, at the same time, give them impressions, both of the liberality of the sovereign, and of the interest which he himself took in rewarding their services. The Governor might be empowered, for example, in
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the King's name, to confer the title and dignity of *Rajah* upon a *Hindoo*, and of *Nabob* upon a *Mussulman*. CHAP. II.

3. It might be difficult, in the third place, it was suggested, so to arrange the patronage abroad, as to prevent jealousies or complaints of the abuse of power. The substance of the observations on this subject, is as follows. The plan itself had proposed, that His Majesty should be vested with the power of nominating the Governor-general, Presidents, Councils, and Commanders in Chief; and that all the other offices ought to be attained by seniority. To prevent the inconveniences which might arise from persons being entitled to succeed to offices of trust, for which they might not be qualified, it is recommended, that His Majesty should, in future, have the nomination of such young men as may be required to supply vacancies in the civil and military departments, and that they should be deemed servants of the King, and have their ranks as such preserved to them. That the Company should have the nomination of all supernumeraries in the commercial department, and that such supernumeraries should have a distinct rank assigned to them. That the servants appointed by the King, should be paid by government, and have the same allowances as they would have received, if they had continued in the service of the Company. That the Directors should be left to determine for themselves, as to the number and pay of the servants whom they may employ in the commercial department. As the pay to be allow-

Third objection arising from the difficulty of arranging the patronage, with the reasonings offered to remove it.

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ed to the covenanted servants of the Company in general, might not be adequate to their support, and to promote the spirit of commerce, it might be expedient, to give them the privilege of trading *inward* and *outward*, on their own account. That it might be proper also, that the engagements of the civil and military servants should cease, in the lines in which they have been employed, the moment they come to be selected to fill an office in the political department. That the term *cadet* might be continued for the military supernumerary, but that some term, more defined than that of *writer*, ought to be adopted for civil supernumeraries. Considerable inconveniences having arisen from the neglect or misconduct of the Commanders of the Company's ships, in conveying dispatches abroad, or in bringing them home; and also from charging unreasonably for the passage of recruits to the different settlements, it might be proper to fix some regulation, by which to place Commanders of ships more immediately, in these respects, under the orders of the Commissioners.

Fourth objection arising from the actual state of the Company's debt, with the expedients suggested to remove it.

4. IT might be difficult, in the fourth place, to determine what compensation the Company may be entitled to from the Public, on account of the debt with which they are loaded, and of the necessity there is for placing them in a situation to discharge it. Upon this subject, the substance of the observations is, as follows :

THAT the debts of the Company amounted, at this period, (exclusive of several large floating debts) to upwards
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of £.15,000,000, for the payment of which, the Company must be permitted to establish a fund at home, and funds in their foreign Presidencies. It was therefore proposed that subscriptions should be received into their foreign funds, by way of loan, at eight per cent. That the outstanding paper of the Company should be accepted from the subscribers, at par, and the books in India kept open till six crores of rupees, or six millions sterling should have been subscribed. That the current revenues in India should be the security to the subscribers in these funds, for the regular payment of their annual interest, which ought to be discharged, in preference to every other demand, except the military charges, and the expenses of collecting the revenues. If the exigencies of an existing war should, at any time, render the payment of the interest impracticable, in such a case, from the time it became due, it should be held to be stock, bearing the same interest with the principal from which it had accrued; and, upon this plan, it might be expedient, that the government in India should be vested with the power of redeeming this stock, at par, upon giving three months public intimation to the holders of it. With the object of connecting this foreign fund, with the one which was suggested to be established at home, it was proposed, that subscriptions should be taken into this last, at four per cent; and that a trial might be made, whether subscriptions might not be procured to it in India, by granting bill on the Company in London, at three hundred and sixty-five days sight. The authors of these memoirs seem to have perceived, that an unfavorable impression might be made upon those, who would otherwise

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be disposed to lend their money to the Company, by the separation of the revenues from their commercial funds; but are of opinion, that if we abstract from the aggregate amount of the investments abroad, the sums received for bills and certificates on England, and from the sale of goods exported from Europe, and the amount paid for stores and troops at home, we should discover, from the remainder, what sums had been applied to investments out of the revenues; or, at all events, whether the Company were gainers or losers by the connexion between the revenues and the trade. In Mr. Smith's account, formed in 1781, he says, that in fourteen years, from 1766 to 1780, the sum contributed out of the revenues, for the purchase of investments, amounted to £3,622,969, of which £2,169,400 was paid into the Exchequer, on the agreement of 1767, leaving to the Company £1,453,569. Against this was placed £5,069,684, expended by the Company, in the fifteen years war, from 1750 to 1765, so that in 1780, the revenues of India stood debtor to the trade £3,616,215*. An account of this nature, accurately brought down to the latest period, it is supposed, would shew to what amount the revenues were then indebted to the Company, and whether it would be more or less than their available assets would fall short of making satisfaction for their debts and capital stock; if more, then the deficiency ought to be funded on the credit of the revenues; if less, then the Company would have no reason to complain that the profits of their trade should be united with their revenue in the pay-

* See more full observations upon this subject in Chap. III.

ment of their creditors. Allowing all the weight to the objections which Mr. Hastings had made, against funding the debt at the period at which his objections were offered, the memoir concludes, that Mr. Hastings could not know, at that time, either the magnitude of the Company's debt in India, or foresee the difficulty which was afterwards experienced in procuring bills, at a fair rate of exchange, on the Company at home. It was admitted, however, that the recommendation which Mr. Hastings gave, of opening the Company's treasury for the receipt of money, in exchange for bills on Europe, was proper and that this measure would have enabled the different Presidencies proportionably to have extended their investments. The reasons which are assigned for this opinion, are, that the British subjects would be induced to lend their money to the Company, when making up their investments, instead of lending it to foreigners; and that the natives would be induced to lend their money to the Company, instead of placing it upon an insecure mortgage, for a monthly interest. This last circumstance would be another hold upon their allegiance, while punctuality in the payment of the interest would convince them of the strength of the security, draw their hidden treasures into circulation, and might tend, gradually, to incorporate them with the British traders. If it should be said, that this method of settling the debt of the Company, might prove a dangerous means, in the hands of a weak, or of a corrupted administration, because they might abuse their power of funding debts in India; the objection might be obviated, by restricting their power of funding to a limited sum. If it should also be objected, that it would be difficult to fix the

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rate of transferring, stock in India, to the books at home; this might be removed, by taking the rate, which the Company, at the time, allow for money in exchange for bills on Europe. Having obtained this standard, it is recommended, that the interest of the two funded debts should be made payable, at the same half-yearly periods; that the transfer should be made to the Governor-general and Council, and the certificate be granted by the proper officer of government. The interest paid in India would thus be lessened by every transfer made to the fund in England.

As not only the security for their money should be understood by the holders of stock, but the progressive management explained to them; it was farther proposed, that regular accounts should be exhibited of the sums transferred home; that books should be kept open at the India House, to receive subscriptions, at four per cent.; the surplus profits of the Company's trade, and the surplus revenue in India, declared to be the security for the payment of the interest, as well as of the principal; and government should become a collateral security for the payment of the interest, during the time that India should remain in the possession of Great Britain. In this home fund, as well as in the foreign one, the Company should be vested with the power of redeeming the stock, at par. If, at any time, Government advanced money to the Company, to enable them to discharge the current interest on the home fund, it would be expedient to enact, that the sum, so advanced, should be replaced out of the profits
of

of their first sale, and before they should be entitled to make any dividend on their proprietary stock; and, that this repayment to Government ought to precede their dividend, by, at least, three months. In the event of the debts in India being discharged, it was recommended, that the presidencies of Bengal and Madras should be obliged to advance to the commercial Boards of the Company, whatever sums could be spared from the revenue, after defraying the civil and military charges; and, in return, that bills should be granted, without interest, and payable at such dates as the investments might be supposed to be turned into cash, in England. That these bills should be transmitted to a Treasurer, at home, who should become an officer under the controuling power; his duties should be, to get these bills accepted, and then to deposit them in the Bank, in trust for the Public. That whatever sums might remain after the funded debt, at home, should have been paid off, they ought to be considered as an additional security for the payment of the funded debt abroad, and of its interest. The Company, by this arrangement, would assume the character of merchants only; receive, from the King, a protection suited to the purposes of their trade; and the King, from his territorial revenues in India, as a franchise of the Crown, would defray the civil, military, and other public charges, without interfering with the Company's profits on their trade.

HAVING thus removed the difficulties which it was apprehended might stand in the way of establishing this plan,

Measures recommended to be taken by the Com-

CHAP. II.

pany and the
State for
carrying this
plan of go-
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to effect.

plan, it was proposed, that the following steps should be taken to carry it into effect: That the Company should surrender to His Majesty, for the use of the Public, all their forts and territories; but retain possession of their factories and warehouses, for the purposes of their trade; that, as the settlement of Bombay is of the utmost importance to the naval interests of Great-Britain, the Public should be at the expense of maintaining it. That with the deed, by which the Company surrender their possessions to the Public, they should relinquish the titles which they have held to raise and to muster forces, to appoint commanders and officers, to make war and conclude treaties of peace with the native Powers, to nominate Governors, Councils, &c. That the trade, though separated from the revenues, and left to the management of the Directors, should, at the same time, be declared to be under the care and protection of the Board of Commissioners. In particular, that the dividends should be limited at 8 per cent; unless, upon application to the controuling power, in the event of the debts of the Company being reduced to two millions, the Commissioners should think that it would be expedient to grant permission to the Directors to encrease it beyond that amount; that the Directors should be bound, annually, to lay before Parliament a state of their affairs, and of the aids which they have derived from the executive powers in India and in Britain. In the event of the Directors obtaining permission to encrease their dividends, that the sinking fund should be equally benefited

benefited with the stock holders; that if this advantage should be secured to the Proprietors, then, the value of their forts and stores should not be taken into the account of their assets, but should be deemed appendages of the territory, and transferred with them.

II. HAVING thus applied the principles upon which the authors of these memoirs grounded their proposed system of government, in connexion with that of the trade to the East-Indies, it may be proper to lay open the views of trade which they embraced, and then to bring forward the plan which they proposed for the final settlement of the government of our Asiatic possessions, and trade to the East-Indies.

Application of the principles upon which this plan was founded, to the future regulation of the trade to the East-Indies.

IN examining the views which they have taken of the trade, we shall consider, first the system which they proposed for the trade to *India*; and next, that which they considered to be expedient for the trade to *China*; stating with their opinions on both subjects, the objections which they foresaw would be made to their schemes, and the reasonings which they offered to remove them.

General characters of this trade.

THE substance of the observations on the *trade to India*, is nearly as follows: The trade to India and China has, hitherto, formed one great commercial system. It has been conducted by a Company, protected by Government; supported by exclusive privileges, and maintained on a joint stock. It has passed through a variety of vicissitudes, in consequence

Particular character of the Indian trade.

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consequence of opposition from the other European companies, trading to the East-Indies, and has risen to its present height, both from the accidental circumstance of having been connected with territorial revenues, and of having received a succession of aids from the Public. The question now comes to be, whether the trade to India and China should still continue one great commercial concern? or whether, in consequence of the connexion between the revenues and the trade to India, this trade should be considered as *one* branch of the British interests; and the trade to China *another*.

IN these memoirs, the authors are of opinion, that the trade to India and to China, rests upon perfectly distinct principles; and that the *trade to India* should be an *open* trade.

First objection to this plan, arising from the check it might give to the present exports of British manufactures by the India Company, with the reasonings offered to remove this objection.

I. THE first objection which they foresaw to this scheme, arises from the check which it might give to the quantity of British manufactures exported by the East-India Company; being, according to the conditions on which their charter proceeds, to the amount of one-tenth of their capital stock. In answer to this objection, they have recourse to the facts, and say, that if the exports of British manufactures, made by the Company, from 1750 to 1785 should be examined, it would be found, after deducting from them the articles of foreign merchandize, and of warlike stores, that they did not exceed in value £.250,000 annually. That the common object, both of the Directors and of their governments abroad, during the last twenty years, has been,

not

not so much to encrease the export of British manufactures, as to absorb the surplus of their revenues, and to bring home the sums which their servants had acquired in India, either from the conquest or from the internal trade of the country. That though the Directors had sent out repeated instructions to the different presidencies, to promote, as much as possible, the sale of British manufactures in India; and even gone so far as to have come to the resolution, to continue the export, as long as the goods could be retailed without a loss; yet that their governments abroad had repeatedly informed them, that the principal consumpt of British manufactures, was by their own servants, and by the other European inhabitants of the provinces; that even this demand had become less in consequence of the exports in private trade, and by British merchants, trading under foreign colours. To so great a height had this evil arisen, that there was even a danger of the demands upon the Company, for British manufactures being totally at a stand. From these circumstances they concluded, that if the expense of the prime cost of British goods, the charges incurred by carrying them to India, and the profits arising from the sale of them, should be compared, it would be found, that the Company had gained very little on their exports of British manufacture; and that an open trade to India, would both have the effect to encrease the demand for British manufactures, and to bring this trade into the hands of the fair trader.

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Second objection, arising from the injury which the British manufactures that depend on the raw materials imported by the Company, might sustain, if their imports should be checked; with the measures, by which it was proposed, to remove the force of this objection.

2. THE second objection, which it was apprehended, might be made to an open trade to India, was, “that the quantity of raw materials imported by the present East-India Company, upon which so many of our home manufactures depend, would of course be diminished, and therefore the price both of the materials, and of the produce of the manufactures would be raised.” In support of this objection, recourse would probably be had to the present flourishing situation, at which the cotton manufactures of every description had arrived, and to the efforts which were making in France, to rival us in this branch of our trade. The answer, which has been given, refers, in the first instance, to the complaint, which the manufacturers have brought against the East-India Company, of having since the cotton manufactures had been increased at home, enlarged their imports of piece goods, with the view of rivaling, if not of bearing down our home produce in the market. The reply of the Company to this complaint, instead of removing it, may, in the opinion of the authors of these memoirs, be held to be merely evasive. The Company admit, that they have increased their imports of piece goods, and give as a reason, the demands which have been made for them in the foreign European markets, adding, that a considerable part of their profits depends upon the re-exportation of them. If, however, the quantity of raw materials required by the British manufacturer could be obtained, and the price of them diminished, then a considerable part of the demand, in the foreign markets, would be for our home manufactures, not for Indian piece goods. An open trade to India was, therefore, recommended as the obvious means

means of obtaining this object; because, in the first place, a rivalry would take place in the importation of cotton; and, in the next place, the India Company, as a body corporate, trading on an immense stock, would find it their interest to enter into this rivalry, either to bear down the private merchant, or, at all events, to draw to themselves the greatest share of the trade; in either case the Public would be benefited; for the price of the materials would become low, and, of course, the attempt of the French, to deprive us of this valuable trade, would prove abortive. The conclusion drawn from this reasoning was, that it would be for the benefit of our home manufactures, if the exclusive privilege of trading to India should be taken from the Company.

3. THE last objection, which the writers of these memoirs have considered, against opening the trade to India, was, “that the Public, at present, receive a large revenue from the India trade, and that it would be a dangerous experiment to hazard the loss of this revenue, for the uncertain prospect of a greater, from an open trade; or, that this scheme might materially injure public credit.” The answers offered, to remove this objection, consist, first of a reference to the actual amount of duties paid by the India Company to the Public; and next, to a set of regulations, by which an equal amount might be insured to it. From looking into the accounts of the Company’s sales, as laid before Parliament, and of the duties paid on them, it is said, that the sum received is great, in appearance, but not in reality; for, if the duties upon

Third objection, arising from an apprehended loss of the present revenue paid to the Public by the Company, with the measures proposed for securing to the same amount.

CHAP. II.

coffee and pepper be excepted, scarcely a third of what remains, finds its way into the Exchequer, as two-thirds of the whole are sunk in expenses, and in drawbacks. If then, the open trade was put under proper regulations, a sum equal to that which is actually received, would certainly accrue to the Public. The regulations proposed are as follows; that the ships to be cleared outward for the India trade should be of a certain specified tonnage; that a fixed number of officers and men should be allowed to each of them; that each ship should have a licence for the trade from Government; that no passengers should be allowed without a licence from Government, in which their names and their business, in going to India, should be described; that, unless in the event of sickness, no person belonging to the crews of the ships, should be left in India, and a certificate of this fact should be brought home from the proper officer of the port; that the owners and commanders of the ships should be made responsible to Government for the good behaviour of their crews, at any port in the East, at which a ship might touch; that the commanders should be strictly prohibited from carrying out warlike stores of any kind, except such as may be authorized in the licence to be necessary for the ship itself, or to be on account of Government; that the whole of the cargo should be loaded in the port of London, and be subject to such rules as the Commissioners of Customs may, from time to time, promulgate; that the imported cargoes should be lodged in the King's warehouses, till the time of sale, and that rules for conducting the sales, for the payment of the duties, and

and for the re-exportation of such goods as may be prohibited from being sold for home consumption, should be distinctly laid down. The results drawn from these reasonings and regulations are, that the traders of Great Britain would become the sole exporters of our manufactured goods; and the sole importers of the raw materials, upon which our manufactures depend, in exclusion of the Portuguese, Swedish, Danish, and Dutch ships, which, at this time, furnish a considerable part of them; that a sum much greater than one-fourth part of the present apparent duties would be paid into the Exchequer, and consequently, that the public revenues, from the Indian trade, would be greater than those derived from the present monopoly of the Company.

It seems proper to leave these plans and the reasonings on them, respecting the trade to India, till we have followed the authors of these memoirs through those which they have offered respecting the trade to China.

Scheme for continuing the exclusive privilege of the Company to the China trade.

ON the subject of the trade to China, upon viewing the whole circumstances of the case, they are of opinion, that it must continue a monopoly, and be carried on upon a joint stock.

THE reasons assigned for a scheme of trade to China, so opposite to that which had been proposed for India, are; that in India we possess factories and privileges; in China, no privileges; that, in India, our subjects are protected either by our own laws, or by those of the native States, considering

Reasons for embracing this scheme, arising from the nature of the trade, and from the character of the Chinese.

CHAP. II. considering us as neighbouring Sovereigns. In China, and even in the river Canton, we are obliged to submit to the laws of that empire only, and have experienced from its officers the most humiliating insults, as well as the most unprovoked severities. Neither ignorance, nor inadvertency have here been admitted as excuses for an offence against local or unintelligible customs; and non-compliance with either would bring destruction both upon the trade and the subjects of any country.

From the injury which the British trade to China might sustain, if the efforts making by the Company to render the circuit of their trade wider should be stopped.

But supposing these circumstances could be altered, and that we could trade to China, with the same safety as we could do to the ports of other foreign nations; the ground upon which this trade must rest is peculiar, and the commodities brought home through it, of essential benefit to the revenue. A sum, in bullion, not less than 1,000,000 sterling, annually, had for many years been sent from this country to purchase the teas, required for our home consumption. The efforts which had hitherto been made to diminish this quantity of bullion, have had but a partial success. The obvious measure was to widen the circuit of commerce towards the eastern islands, by carrying British or Indian produce first to them; and then such produce *from* them as would be received in the China market; experiments are making in this way, but the results do not, as yet, entitle us to infer absolute and full success; for, first, some of these attempts have failed, as in the case of the settlements attempted to be formed in 1778 and 1779, on the island of Rhio; and, next, that which has been effected on the

the island of Pinang, at an expence of about £.25,000 per annum, had not yet afforded us sufficient experience of its utility. If similar attempts should be made, it would only furnish a reason for thinking, that in progress of time the balance of the trade from China, may turn in favour of Britain, and that the export of bullion may become less necessary.

BUT supposing that these circumstances in the China trade did not so strongly recommend the continuation of the exclusive privilege of the Company, as they in fact do; the advantages which we derive from their established commercial character, would render its continuance a matter of expediency. In the first place, the prejudices of the Chinese in favor of the Company, are founded upon having been long accustomed to transact with their factors; next, upon a certainty of a large demand from them; and, lastly, upon that punctuality of payment which the Company's extensive credit has enabled them to make. In none of these respects, could any stranger enter into competition with the Company; nor are these general advantages the only ones which they would possess over the private merchant. They have servants regularly bred to the business of collecting quantities of opium, gold dust, silver, lead, ivory, with a number of lesser articles fitted for the Chinese trade. These servants have been accustomed to the traffic in the islands, are acquainted with the languages of the people, and are furnished with a number of small vessels, by which to carry the articles collected to some depôt, at which the China ships can touch with safety, or to convey them directly to the Company's factory.

CHAP. II.

factory in China. A constant correspondence has been kept up between the persons employed in this traffic, and the Supracargoes at Canton, while a like correspondence has been maintained by the Company's Agents, with the Chiefs in these islands, that they may be supplied with such articles as they stand most in need of. The private trader, on the contrary, would, in the best view we can take of his credit, be but in the situation in which the Company were placed at their first institution, that is, he would have bullion to export, credit to establish, character to acquire, and gradually to find out and become possessed of means for rendering his trade profitable.

Conclusion,
for a mono-
poly in the
China trade.

TAKING then the whole of these circumstances into consideration, these memoirs conclude, that though opening the trade to India might be a wise and beneficial scheme, the opening the trade to China would be hazardous and improvident. It might not only expose the individual trader to destruction, and the parties concerned in the adventure to a bankruptcy, but, from the odd, yet fixed character of the Chinese, exclude the Company continuing to trade on their joint stock, from entering into, or clearing out from, the river Canton. Leaving then the advantages which the Public derive from the tea trade entirely out of view, the market from which we bring such materials for our manufactures, as raw silk, ivory, &c. might be shut against us, and yet open to the other European nations, and, at all events, the increase which the China trade has received from the regulations which have reduced the prices of China goods

goods to a rate that has given us a superiority in the trade, might be lost.

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HAVING thus taken a review of the memoirs, which have suggested plans for the future government of our Asiatic possessions and regulation of trade to India and to China, it may be proper before we apply the principles, upon which they have proceeded, to the establishment of the system of revenue, with which it was proposed to connect them, to give an outline of a plan, drawn up, about this period, for connecting the revenues with the trade.

Plan proposed to be submitted to Parliament, for the establishment of these systems of government and of trade.

THIS plan is introduced with the following preliminary observations; that Parliament on repayment of £.4,200,000, may, or may not, continue the exclusive privilege of the East-India Company, after March 1794*. That though Parliament should take away the privilege of exclusive trade, the Company still would remain a body corporate, entitled to trade to the East-Indies upon their joint stock. That the possession of their territories and revenues is a right of the Company, during the remaining period of their charter†. That the bond debt in 1787 being £.2,000,000, the capital stock £.4,000,000, the annuities sold, or intended to be sold, absorbing the interest due to the Company by the Public, the expenses of the late war about £.10,000,000;

Principles upon which this plan proceeded.

* See 21st Geo. 3. chap. 65. sect. 5. in collection of statutes relative to India, by Francis Russell, Esq.

† See sect. 8 of the preceding act.

CHAP. II.

could be paid off, within the remaining term of their exclusive trade; that the acts 1773, 1779, 1780, and 1781, have restricted the Company from accepting bills of exchange beyond £.300,000 per annum, without leave, first obtained, from the Treasury; that the territorial revenues not affording aid for the payment of their foreign debts, (as being scarcely adequate to the burthen of the peace establishments and to the commercial investments,) therefore they had obtained leave of the Treasury to bring them home by bills on the Directors; that the profits on their revenues and trade have been united and made into one fund, and after payment of the current charges, and interest of the bond debt, are to be appropriated as follows*; to pay 8 per cent. dividend to the stockholders; to reduce the bond debt to £.1,500,000; to pay bills of exchange drawn on, or to be drawn on the Court of Directors; that after the reduction of the bond debt, and payment of the bills, the profits of the revenue and trade are to be appropriated in the payment of the 8 per cent. dividend, and as a fund, of which one-fourth is to belong to the Company, and three-fourths to the Public. On the basis of these principles, the plan, after describing the characters of the original and continued charters of the Company, the right of the King to territories, acquired by his subjects, either by arms or by treaties; and after making references to the different acts, which have

Acts 21 Geo. 3. chap. 65 and 23 Geo. 3. chap 83. sect. 8 and 9.

made conditions and stipulations with the Company, proposes, that the following arrangement should take place. CHAP. II.

THAT His Majesty should be declared to have the sole right to the British territories in India, and to the revenues arising from them, for the use of the Public. That His Majesty also should be vested with the executive power in these territories, to be exercised, in future, in the same manner as in the plantations and other foreign settlements of the Crown. That the natives and other inhabitants in the British provinces in India, should be declared to be the subjects of the King, and under His protection; but that they should be governed by their own laws and customs, and not be entitled to the franchises of British subjects, unless by residence, connection in trade, or servitude, they should become amenable to the laws of England. That the powers and authorities which have been granted by former acts, for the good government of the several provinces in India, should remain in force, except in so far as they may be rescinded in this or in future Acts of Parliament. That the Governor-general, the Presidents, Councils, Judges, and Officers of revenue, should, in future, be in the nomination of the King; but that the present appointments should be continued till His Majesty's pleasure should be known. That the duties at present exercised by the Governor-general, Presidents, Councils, &c. should continue, except in that part of them which enjoins the officers

Propositions
comprehend-
ed in it.

CHAP. II.

to pay obedience to the Court of Directors. That the salaries of the Governor-general, Presidents and Judges, should be chargeable on the civil establishment, and paid from the territorial revenues in India; but that a power should be given to the India Board to vary or alter the amounts of these salaries at pleasure. That all the subsisting treaties which the East-India Company have entered into with the native Princes or States in India, should be declared to have the same force as if these treaties had been made with His Majesty. That the servants who might be employed in the revenue department, should be prohibited from entering into any commercial engagements, and should take an oath not to accept of presents of any kind or description. That the acts which have obliged the Company to defray the expenses of His Majesty's forces serving in India, or of His fleets defending its coasts, should be, by this act declared to be repealed*. That the powers which have been granted in different charters, and by different acts of Parliament, to the East-India Company, to raise and to discipline troops, and to equip and to employ ships of war, should be no longer in force†. That the Governor-general, Presidents, &c. in the different settlements should be vested with the power of appointing to such subordinate civil or military offices as may become vacant; but that the promotion should go on, upon the principles established in the fourteenth and fifteenth sections of the

* Viz. 21 Geo. III. cap. 65. sect. 17.

† Viz. 27 Geo II. cap. 9. 1 Geo. III. cap. 14. 23 Geo. III. cap. 65.

26 Geo. III. That the Company's servants now in India, should be entitled to the same rank; which they would have obtained from the Company, but, in future, deemed servants of the Crown. That the Company's army in India, should be declared to be the King's, but with the same line of promotion and distinct rank as formerly. That the executive power should be limited, in the number and age of the supernumeraries to be sent out to India to fill up the civil offices, and that those on the present list, should have the preference, when vacancies happen. That the powers which have been granted to the Governor-general, Presidents, and Councils, to seize on illicit traders, should be continued; and, in prosecutions against them, that the courts of justice should have cognizance and authority over the party, although he should reside without the ordinary limits of their jurisdiction, if he should be found within the limits of the Company's exclusive trade. Persons convicted of such offences, should be made liable to imprisonment, till they could be sent home by an order from the Governor-general, or Presidents and Councils*. That the Company, in the exclusive privilege proposed to remain with them, should be authorized to grant licences to such private traders, as may be approved of by the controuling Power; and declared absolute proprietors of such houses and lands as may be necessary for the purposes of their trade. That the Company should be supplied with the surplus revenue for their investment, except in the time of war, when this supply should be limited to a certain sum.

* Act 26 Geo. III. cap. 25.

CHAP. II.

That for the sum received, they should grant bills on the Court of Directors, at eighteen or twenty months date, but that no interest should be paid on these bills, till after they should become due; and this to continue to be the practice while the Company remained accountable for the profits of their trade. After, however, the payment of the foreign debt, and the reduction of the bond debt at home, to £.1,500,000; that the bills should carry a reasonable interest, after six or eight months. That while the foreign debt should remain unpaid, the holder of a bill of exchange from India, after it should have been accepted by the Directors, should carry it to the Accountant-general of the India Company, who, after adding to it whatever interest might be due, should cancel the bill, and grant his certificate for the whole amount to the Directors of the Bank, which certificate should entitle him to a transferable stock, equal to the value of the whole of his debt in a new fund, to be named the Indian 5 per cent. annuities. That the interest on this stock should be paid at the Bank, in equal portions, at Midsummer and at Christmas, from the sums to be paid into it, out of the surplus of the territorial revenues, and the Public share of the profits of the trade. That distinct accounts of these payments should be kept at the Exchequer, and whatever might remain, after paying the half-year's interest, should be employed to pay off 10 per cent. on the principal or stock, which, from time to time, might remain due. If any sum should remain, after such payment, that it should be employed, in consequence of an order from the Lords of the Treasury, towards satisfaction of the funded debt, till the whole

whole of it should be extinguished. That, after every such payment, new books of transfer should be opened, containing accounts of the reduced and unsatisfied stock; that a discretionary power be given to the Lords of the Treasury, authorizing them to advance, out of any unappropriated Public monies in the Exchequer, a sum sufficient for the payment of the annuities, when the proper fund, from any circumstance, might not be equal to the payment of them. This advance, however, at no time, was to go beyond the amount of interest, due in any one year, and, when made, bills of exchange should be given by the Directors for the amount. That these bills should be discharged, or the amount of them paid into the Exchequer, either from the first remittances from India, or out of the profits of the trade; the whole to make a part of the annual reports to be made to Parliament. That the Directors, also, should be allowed to discount, at the Bank, such bills as might be drawn in their favor, from any of the Presidencies, to such an amount, as would yield a sum sufficient to pay the annuities when due. That the Directors of the Bank should have paid to them, out of the fund provided for the India 5 per cent. annuities, such a reasonable allowance, for their trouble, as the Lords of the Treasury might direct. As the debt also had been contracted in defending territories acquired for the British empire by the India Company, that it should be understood, that if these possessions should be wrested from Britain before such debt should have been paid off, some other fund should be pledged for the security of the stockholders. That the

1

Company

CHAP. II.

Company should be bound to pay the interest of their bond debt out of the whole of their profits of trade, and also a dividend of 8 per cent. per annum on their capital stock, charging the same as items of disbursement. That three-fourths of the remainder should be paid into the Exchequer, to be under the orders of the Lords of the Treasury, first, for reducing the bond debt to £. 1,500,000, and next to pay off the principal and interest of the funded debt. That the Directors should be obliged to render to the Commissioners of the Treasury, in the month of April, an exact statement of the nett profit and loss of their trade from February to February annually. These statements to be given on the oaths of their accountants, and attested by three of the Directors. That a duplicate of these statements should be laid before Parliament, if sitting, if not, within fourteen days, after the opening of the session. That the clause for the redemption of the debt due by the Public to the Company, should be repeated, with a proviso, that such redemption might take place, on three years notice. That in the event of the statement of profit and loss on trade not being rendered by the Directors, or of their not paying into the Exchequer the specified proportion of the profits of their trade allotted towards the fund for the discharge of their debts, Parliament should have the power of determining their exclusive privilege of trade, on one year's notice.

Opinion suggested in the conclusion of the memoir.

LEAVING the observations which it may be necessary to make upon this bill, and upon the plans and principles on which it proceeded, till such time as we have considered the

scheme.

CHAP. II.

scheme of the revenue, with which the whole was to be connected, it is sufficient to observe, on this plan, that the author of it concludes with the remark, that after all the knowledge which had been obtained of Indian affairs, still we were not prepared to bring forward a system upon this national subject, and that his intentions went no farther, than to propose a bill of experiment.

III. HAVING brought into view the plans of government and of trade, offered in these memoirs, it only remains to connect with them, the regulations suggested for the management of the revenues.

Application of these principles to a proposed system of revenue and finance.

It may be necessary, in introducing this subject, to premise, that the general object in the whole of these schemes seems to have been, rather the liquidation of the Company's debt, and the improvement of their commerce, during the remaining period of their charter, than to settle the quantum of revenue, or the mode of levying it in our Asiatic territories. The hints which were given, respecting their plan of government, seem to have been considered as sufficient for these subjects. It appears, indeed, through the whole of the observations, which we have detailed, and it will be made obvious, from those which are to follow, that it was held to be a desideratum, that the Company's debts should be discharged, if possible, by March 1794, and that their possessions should then fall into the hands of the Public, as landed property does, into those of its owner, on the termination of a lease. If so desirable

General object of this plan.

CHAP. II.

an end could be obtained, they augured, that then, the Legislature might dispose of the property of the Public, in the way that might be most beneficial to the interests of the Nation, and connect with this final settlement, the systems for an open trade to India, and for continuing an exclusive trade to China, with the Company.

Abstract of
the amount
of the reve-
nues at home
and abroad, as
applied to the
claims of the
Company on
the Public.

KEEPING therefore, this general line of thinking in view, we shall *first* offer an abstract of the opinions of these authors, respecting the sums which the Company might be expected to realize at home; and also, respecting the sums which they might be supposed to realize abroad; and lastly, subjoin the inferences from both, as applicable to the claims which the Company may have on the Public, and to the compensation which they may expect to receive when their exclusive charter shall have expired.

Substance of
the observa-
tions made on
the amount
of the reve-
nue at home.

I. THE substance of the observations made on the sums, expected to be realized, at home, is as follows: That the profits on British manufactured goods, exported to India and China, had not, on an average of the preceding ten years, exceeded $2\frac{1}{4}$ per cent. of dividend, on the old capital stock of £.3,200,000. That the profits on the import trade from India and China, on a similar average; and for a similar period had produced only a dividend of about $5\frac{1}{4}$ per cent. on the capital of £.3,200,000. That from the estimate of the amount of the Company's sale of goods imported from India and China, for the then current year, the amount was calculated at £.4,546,000, and for future years £.4,700,000.

That

That to furnish goods, for an annual sale, to the amount of £.4,700,000, it was computed that £.1,110,000 must be employed in providing investments in India, from which a nett profit of £.90,000* was expected, being after the rate of about 8 per cent. on the prime cost. That £.1,500,000 must be employed in providing an investment in China, from which a profit was expected of £.375,000†, being 25 per cent. on the prime cost. That the remainder of the sale, beyond the prime cost, was absorbed in freight, demorage, duties, and charges on merchandize. That the commercial fund of the Company was composed of these profits, and of about £.70,000 per annum of duties on private trade, of £.36,226, on the unfold part of their annuities; and supposing neither a profit nor a loss on the export trade in

* Estimated sale of India goods	-	-	£. 2,160,000
Prime Cost	-	-	£. 1,110,000
Charges of freight, customs, and merchandize	-	-	960,000
			<hr/> 2,070,000
			<hr/> Estimated profit £. 90,000
			<hr/>

† Estimated sale of China goods	-	-	£. 2,540,000
Prime cost	-	-	£. 1,500,000
Charges of freight, customs, and merchandize	-	-	665,000
			<hr/> 2,165,000
			<hr/> Estimated profit £. 375,000
			<hr/>

CHAP. II. future, supposing their sales to amount to £.4,700,000, their commercial revenue might be set down as follows:

Profit on India trade	£. 90,000
on China trade	- 375,000
on private trade	- 70,000
Annuities unpaid by the Company	<u>36,226</u>
	<u>£. 571,226 *</u>

IN forming these estimates, the charges of freight are taken at the reduced rates, payable in the time of peace, and no allowances are made for the hazard of seas or enemies; for the expenses of recruits, and for pensions to superannuated officers and servants, which might be set down at £.40,000 per annum; nor for the annual interest of £.2,100,000 of India debt, at that time transferred home, amounting to £.105,000. It is thence argued, that adding this £.105,000 to the £.40,000, and then taking into view £.128,000 annual interest, on the bond debt of £.3,200,000, and £.400,000 for an 8 per cent. dividend on the capital stock of £.5,000,000, the whole would amount to £.673,000 per annum, exceeding the estimated commercial fund by £.101,774. If even the interest of the transferred debt should be subtracted, as not constituting, properly a charge on the commerce, the fund would then only

* These computations were made in 1789, from the accounts of preceding years; but the trade has been improved since the period to which these accounts refer.

exceed the outgoing, by £.3,226. It is thence stated, that to support the Company's credit, their outgoings must be regularly paid, though the fund at the same time would be exposed to such contingencies as the power or inability of the foreign presidencies to provide investments at the estimated prices; prosperous or unsuccessful voyages; profitable or unproductive sales; moderate or high rates of freight and demorage. If, however, independently of such accidents, the commercial fund should be found barely sufficient to answer its own current and fixed payments, it was evident, that some method must be found out to continue the progress of the trade. The following facts, it was contended, would shew this necessity. Though the duties on private trade are rated at £.70,000 yet on an average of the two years 1786 and 1787, they amounted only to £.55,675. The India investment of 1786-7, cost £.1,121,670, a profit was received of £.136,250. In 1787-8, the India investment cost £.1,128,123: but instead of a profit, there was a loss £.7,011. In 1788, the private adventurers, in coast piece goods, did not realize more in Britain, on their sales, than about seven shillings and two-pence or seven shillings and four pence per pagoda on the exchange, owing to falling off in the demand for such goods in London.

UNDER these circumstances, it is concluded, that the only means for supporting a commercial fund, equal to the charges, would be to lower the then rates of freight; to employ such parts of the surplus revenue from Bengal, as could be spared from the China and Bencoolen investments, to be applied to buy up, at the marketable discount, the

Opinions of
the authors
on this sub-
ject.

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the Company's paper, carrying high interest; and to continue this appropriation 'till the demands for India goods at home should produce a more profitable return.

Remedies
proposed by
them to re-
move the dif-
ficulties
which might
occur in the
final arrange-
ment of their
plan.

THE authors of these memoirs seem to have been fully sensible, that these measures could not be carried into effect, unless some remedy could be devised, by which to remove the contraband trade, so distressing to the Company's export and import trade. For this purpose they proposed, that penal laws should be enacted, to affect such British subjects as remit their fortunes from India to Europe on foreign bottoms; and that the most rigid measures should be adopted to deter smugglers. In illustration they state, that in 1786, a profit of about 12 per cent. was derived from the investments from India. In 1787, a loss was incurred by them. In 1789, the future profits from the investments were estimated at about 8 per cent. and if the moderate term of eighteen months should be allowed, from purchasing the goods in India to realizing the amount of the sales in London, the profits would be reduced as low as about 5 per cent. Comparing, therefore, with these facts and estimates, the interest which the Company pay on their paper in India, from 8 to 9½ per cent. and interest, on this interest, when the payment was with-held beyond the year, and then taking into view, that they themselves might buy up this paper as soon as it was issued, at a discount, varying from 4½ to 12 per cent. it was evident, that the existing system required improvement, even during the remaining period of their charter, in order to bring their commercial fund into that state in
which

which it would be able to support the trade. The measures above recommended, it was supposed, would have this effect.

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THE substance of the observations, in these memoirs, respecting the sums expected to be realized by the Company abroad, during the remaining period of their charter, is as follows: That the surplus revenue, applicable to investment, had been estimated at about £.650,000, or £.700,000 per annum; but, by the Governor-general's letter, of the 12th of March, 1789, this surplus, after deducting £.50,000 for Bencoolen, amounted to £.1,184,120; with this surplus was compared the state of the debts in India, which, on the 30th April, 1788, including the amount transferred home, amounted to £.10,007,410. The assets in India, consisting of cash in the treasuries, bills receivable, stores, import and export goods on hand, had been valued at about £.2,712,161; and the debts due to the Company, were about £.2,174,837, which, together, amounted to £.4,886,998. It was next stated, that the debt at home, on 31st January, 1789, amounted to £.11,048,490, in which was included an unadjusted claim of Government, of £.500,000 for troops, &c. That the price of the capital stock was, about that period, at £.174 per cent. which, on £.4,000,000, amounted to £.6,960,000. The debts therefore, and the value of the capital stock, were £.18,008,490, and that the goods, credits, and effects at home and afloat outward, were estimated, in January 1789, at £.12,109,832. After combining the accounts at home and abroad, it appeared that

Abstract of
the amount
of the reve-
nues abroad,
as applicable
to the claims
of the Com-
pany on the
Public.

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that the Company's assets fell short of their debts and value of their stock, by £.11,019,070, a deficiency which, it was observed, might be augmented by any excess in the estimate of assets, beyond what could be realized from them, and it was thence supposed, that as many of the debts on the quick stock might come under this description, the deficiency might be taken at £.12,500,000.

It came, therefore, to be a matter of enquiry what the surplus revenues of India, from 1788 abroad, and 1789 at home, to 1794, with the savings of interest might amount to; and what debts might be supposed to be discharged, by that period. The surplus revenue was taken at £.900,000 per annum, for six years, and it was calculated, that if this surplus was to be applied to India only, for lessening the debts at par, with the savings of interest, it would only discharge £.6,500,000. If then, £.6,000,000 should be made to follow the revenue, and the assets of the Company abroad and at home, should be taken at the estimates made of them at this period, the whole would be just equal to their debts, and to the value of their capital stock, at £.174 per cent. It is added, however, that the whole of this reasoning depends on the profits of the trade after defraying the dividends and other expenses, being equal to the discharge of the interest on debts to be transferred home, during the period of their charter.

HAVING thus given the substance of the observations made in these memoirs, on the subject of revenue and profits on the trade, as applicable to the discharge of the Company's debts at home and abroad: We have only to subjoin the opinions on the claims which the Company may make on the Public, and on the compensation which they may expect to receive from it, at the expiration of their term.

ON the subject of their *claims*, the Company might probably bring forward a demand of nearly £.5,000,000, for money laid out by them, in acquiring and defending the provinces. They might also, probably, expect interest on this sum, which would more than double it. They might further state the great losses which their trade had sustained, since the acquisition of the Duannee, from the necessity which their commercial Boards had been under to enlarge their investments, as the only means of bringing home the revenues; and add, that from this circumstance, the price of goods in India had been encreased, and the sale value of them, in Europe, lessened by the large quantities brought into the market. In this way, they might state a charge on the revenues in India, for a sum beyond the six millions, which they had been calculated to yield from 1788 to 1794; or a sum that would be equal to yield to every stock-holder, after the rate of 174 per cent. as the last subscription to the capital stock was made at that rate.

Estimated extent of these claims.

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ON the subject of compensation, these memoirs suggest, what they apprehend would place the Company in a situation to discharge their debts, before or at the period when their charter is to expire; and enable the Public to adopt the systems of government and of trade which were recommended. For this purpose, according to estimates then formed, it appeared, that a relief would be wanting of £.800,000 in March 1791; of £.600,000 in March 1793; and £.250,000 in 1794; these sums, with a surplus revenue of £.650,000 per annum, invested in goods, would enable the Company to discharge the interest, as well as the principal of £.4,000,000 of transferred debts. It would, it was apprehended, be equally inexpedient and dangerous, when six years only of the Company's term were to run, to allow them to raise this sum by a further augmentation of their capital stock, or by an increased bond debt, or to allow them to sell the annuity.

Result of the
whole of
these obser-
vations;
suggesting,

It is impossible to withdraw from the interesting subjects treated of in these memoirs, and not to remark the very gradual manner in which the knowledge of Indian affairs has been attained. One touchstone will try the whole of these questions, viz. the actual situation of India, and the actual state of the Company's affairs at the time. Allowing the utmost latitude in suggesting political improvements, these may not be applicable to the state of India, and giving to a system of trade its most extensive characters, such a system may not be reconcilable to the state of the Company's concerns at the time. It certainly would have
been

been as improvident to have made any violent innovation in the government which had been understood and was established in India, as it would have been hazardous to strike out a new line of commerce, while the old one had been found productive. Without presuming, therefore, to decide on the merits or demerits of the preceding opinions, we shall only state doubts respecting the practicability of the innovations proposed.

1. In the first place, it may be asked, Whether the declaring the sovereignty of His Majesty over our Indian possessions, would not have created an opinion among the native States, that an opposition had arisen between their former allies, or masters, the Company, and the Sovereign, under whose protection, they had been told, that very Company governed? Could these native States or Princes have been made to understand the European ideas of bodies politic and corporate, trading on a joint stock, and exercising a species of delegated sovereignty for a certain time? Or, if they could have been made to comprehend the meaning of a charter can we suppose, that they would have entered into commercial connexions, or have brought their money out of the securities or concealments, in which they had placed it, that they might vest it in the new India fund, when they would at once have seen that this fund was under the management of an executive power in Britain, not of the commercial body to which they had been habituated? It is concluding, therefore, solely from past experience to say, that this proposed system

First, a doubt respecting the propriety of separating the revenue from the trade.

CHAP. II.

of government does not seem to have been suited to our Asiatic dominions, nor to be reconcileable to the institutions which the natives understood. It is not less proper, taking experience as a test, to infer, that (as the value of India to Britain depends upon the trade through which the revenues had been brought home) the government must be engrafted upon the trade, in order to render the one efficient, and the other productive.

Second, a doubt respecting the effect of this separation on the constitution of the British government.

2. In the second place, it is left for consideration, whether the degree of power which the preceding plans proposed to give to the executive government in Britain, might not have become a subject of political jealousy to the other parts of the constitution. It is true, that responsibility to Parliament is connected, in these plans, with the exercise of this executive power; but it is a fundamental principle in the British constitution, that the executive, shall, at no time, be possessed of means of influencing the legislative power. But even supposing that no grounds of political jealousy would have subsisted under this system, the arrangements proposed by it might have been objected to, judging from past events in the progress of Indian affairs. It proposes an entire separation between the political and the commercial branches. His Majesty is not only to be vested with the sovereignty of India, but with the nomination to all offices of a military and of a civil nature, from the Governor-general to the supernumerary; and if the Company should be continued, the commercial supernumeraries alone were to

be

be in its appointment. What, perhaps, will be considered as less practicable, the King's civil and military servants, were to have a superior rank to the Company's commercial servants, and to receive their allowances from the new civil Indian government. Experience has shewn the necessity of vesting in the King the power of appointing Commanders in Chief; and, perhaps, the promptitude and responsibility required in a Governor-general and Council, or Presidents and Councils, and the independence of character, so necessary to judges, might justify the appointment to these offices being given to the executive power. The military department also, might, perhaps, be transferred to His Majesty, that an end might be put to the jealousies which have subsisted between King's and Company's troops; but to carry the separation of the political and commercial branches farther, might render the administration in the different Presidencies, more complicated than it is at present, and to establish the distinctive ranks of King's civil and military servants, and Company's commercial servants, receiving emoluments and protection from different superiors, could not fail of producing perpetual animosities, as well as become the source of actions, tending to promote opposite interests. If these remarks have their foundation in the actual state of affairs, the system of government must admit, more than these plans suggest, of the original tenures upon which we acquire our dominions, and have (though now it may be less necessary) continued to possess them; while to maintain our commerce, it must be allowed to remain

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remain connected with the revenue, as the trade is the only chain which connects India with Great Britain.

Third, a doubt respecting the future prosperity of the trade, if thinned from the present plan.

3. IN the third place, it may be objected to the plan of an open trade to India, and of a trade under exclusive privileges, to China, that, at the time when it was offered, the statements, upon which it rested, did not support it. The object of the plan, was to break the line of commerce between India and China, so that the trade to India was to rest upon itself alone, and the trade to China upon itself alone. The issue on the question will wholly depend upon the amount of the revenue which the plan proposed to pay to the State.

ACCORDING to the statements upon which this plan proceeded, the export trade to India had yielded but inconsiderable profits; and, upon several occasions, had been attended with a loss. From the statements also, it was inferred, that the import trade from India had often afforded but a small profit *. And hence, only a trifling interest (if the circumstance of the Company being their own insurers be brought into the argument) would have accrued to the Proprietors on the sums employed in the trade.

TAKING these as admitted results from the statements, let us suppose that the trade to India had been laid open,

* The profit was estimated at about £.90,000 upon an investment of upwards of a million.

and that the trade from it had been disjoined from the revenues. In this case the Company, as a body corporate, would have been entitled to trade on their joint stock, and though possessed of the exclusive privilege of trading to China, would have been nearly on a footing with the other merchants, who might have engaged in the trade to India. Placed in such circumstances, they would have had no inducement to continue the export trade, but that of its yielding them a profit, and no motive for engaging in the import trade (for they now would have had no surplus revenues to bring home) but that of its yielding them an adequate profit. Had they employed the same sum in any commercial scheme in Europe, which they employed in purchasing export goods for India, they would probably have received a more profitable return. In this situation then, the Company would have had little temptation to continue the export trade to India, to the same amount that they did at the time, and no great inducement to continue the import trade to so large an extent, unless in so far as it might have aided them, in turning to an advantage the exclusive privilege of trading to China, which this memoir proposed to leave with them.

If we suppose the plan of an open trade to India to have been adopted, at this time, two questions of a public nature would have arisen out of the measure. In the first place, Would the exports to, and imports from India, have been as great as they had been in the hands of the Company?

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IN the next place, Through what hands could Government have brought home the surplus revenues?

ON the first of these questions, it will be admitted, that the exports would have been regulated by the price which Europe goods could have been sold for, in India. Had these prices fallen lower, the exports must have been abridged, till the scarcity of goods in the India market had again brought the price to the standard, at which it would have yielded a profit to the merchant. The same reasoning applies to the import trade; for if the exports either yielded little profit, or had been attended with a loss, then the private merchant, or Company of Merchants, must either have sent bullion or found credit in India, to purchase goods for the Europe market. Had matters been brought into this situation, the private merchant, no doubt, from connexion with persons who wished to remit their fortunes to Europe, might have purchased Indian produce on credit. This expedient, however, would have been precarious, and, at all events, exposed to distant and uncertain payments, so that the India goods imported to Britain (and these pay the duties and customs to Government) would have decreased in their quantity, and the trade of foreign Companies upon a joint stock, have enabled them to supply the Europe markets with Indian commodities, instead of these markets, receiving them from the English.

IF we put the case, that the present Company, continuing to trade on their joint stock to India, should have become

come the most considerable merchant in the import trade, still it might have rapidly declined, because competitions with the private merchant, and with foreign Companies would necessarily have lowered the price of Indian goods at the Company's sales.

HERE the second question presents itself: Through what hands, upon this plan, could Government have brought home the surplus revenue? That this surplus must be realized in Britain, through the import trade, and that it can pass through no other medium, is an admitted and established fact. The subject, therefore, for the consideration at the time, must have been, through what channel, upon the plan of an open trade, could the surplus have been brought home for the benefit of the Public.

IF the surplus had been entrusted to the credit of the private merchant, what security could Government have obtained, that the amount would be realized in the treasury in Britain; or what security could individuals have given, that they would bring the goods to England, pay the duties to Government, or that they would not have carried them to foreign markets, to evade the payment of these duties. Had the surplus of the revenue been entrusted to such merchants, they would have had it in their power to make their own terms, and might have reduced the value to the Public, either by offering a depreciated rate of exchange, or by demanding

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an unreasonable length of credit. The inevitable consequence would have been a decrease in the carrying trade of Great-Britain, and a diminution of the home duties and customs. If a preference had been given to the Company, still a similar depreciated rate of exchange and length of credit might have been demanded; and admitting their ability to pay the portion of the revenues, which they had taken credit for, their trade might have been unequal to the purpose of bringing home the whole surplus, and they might have made their own terms, for the amount which it might have suited them to take.

Consequence
arising from
examining
the foundation
of this last
doubt.

THESE hints go no farther than to fix attention on the commercial effect, which the open trade to India might have had, upon the means by which the revenues of the provinces form a part of the resources of Great Britain. There was, at this time, an opinion, that an experiment might be made of an open trade to India. This experiment, however, it was foreseen, might have had dangerous consequences, for while the revenues from the Indian provinces can only be realized through commerce, it is problematical whether any but the trade of a Company, and upon the present system, could have given security to the Public, that the surplus would be brought to Britain.

It is admitted, that the trade to China must remain a monopoly, and in the hands of the present East-India Company;

pany; and it is proved, in the preceding plans, that India has, at least, partially, and at times, contributed, in a certain degree, to the China investment. It has been stated also, that the Company have been making efforts to widen the circle of their commerce from India to China, so as to diminish the quantity of bullion required in that market, where it is for ever to be lost to circulation. Would it then have been expedient to weaken the credit of the East-India Company, by withdrawing from them the India part of their exclusive privilege? Would it have been prudent to stop the partial aids which India gives to the China investments? Would it not check the general spirit of commercial enterprize, if the efforts of the Company to extend the circle of Asiatic commerce were discontinued? Would it not, upon the supposition that the India trade had been, upon the whole, a losing one to the Company, have been hazardous to take it from them; and yet to leave the China branch in their hands, when it is the connection of both branches which has rendered the whole a profitable concern? Would it, in fine, have been adviseable to leave with them, what is confessedly profitable, and yet to have withdrawn from them what their immense stock and established credit alone could support? Could we have risked, merely on speculation, what we possessed in practice, both as a national resource, and as one part of our political importance? Arts, manufactures, and trade, grow not out of plans: they spring from accidental events; and from political wisdom, fostering and bringing these events into a consolidated system. If we are to de-

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cide from the history of mankind, we shall find such systems rapidly to have disappeared, whenever the ancient channels through which the trade has run have either been shut up, or when the streams which have passed along these channels have been absorbed or made to seek their way over tracts where they might be divided or obstructed in their progress.

Fourth, a doubt whether upon this plan the debts of the Company could be discharged, and the expected compensation given.

4. In the last place, it is left for consideration, whether, even if the debts of the Company could be discharged by the time at which their charter expires, and whether, even if a compensation could be given to them, for all the rights which they may suppose themselves to relinquish to the Public at that period, the State could adopt any other system of Indian affairs, than that of leaving the collection of the revenues with a Company, granting to it an exclusive privilege of trade, within the same limits, as the present; and retaining a controul over the appropriation of the revenues, and exercising a responsible executive power in India and in Britain? If the event could actually take place, that the Company's debts should be paid off by March, 1794, and that the Public should be able to make them a reasonable compensation for all their claims, one of two consequences must follow; either the adoption of some such plan of government and trade, as we have been considering, or entering into a new agreement with the Company, to prolong their exclusive privilege for a specified number of years, upon their paying an adequate sum to the Public. From the actual state of their debts

debts, at the period these plans were suggested, the liquidation of them, by the term referred to, could not take place; and from the war, in which necessity and policy lately involved the Company, this *consummation* is still more distant. It is, therefore, unnecessary to reason on an hypothesis, because such reasonings can be of no practical utility; let it suffice to remark, in concluding these observations, that, it is for the interest of the Public, such measures should be devised, for enabling the Company to discharge their debts, or, at least, for putting them into the progress of being paid off, as may give fresh spirit to the trade, and enable them to continue their efforts for enlarging the circuit of it. No measures seem better calculated for producing these ends, than some of those which have been proposed in the preceding plans. The interest of the Company must go hand in hand with that of the Public, which ought to participate with its tenants in the profits of the revenues. This end may, perhaps, be effected, by inserting among the conditions of a new agreement with the Company, that they shall pay certain sums to the Public, at specified periods of their term, if Parliament, upon considering the reports to be made by the Commissioners for Indian affairs, shall be of opinion, that the state of their funds is equal to the discharge of such payments.

THE observations which we have made on the preceding plans, will have shewn, that, near as the approaching expiration of the Company's term was, still many subjects
required

Termination
of these
doubts.

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required to be more fully examined, before any plan could be formed, so as to meet the wishes of the Public, respecting Indian affairs.

—in a plan for vesting the State with the territories, and leaving the trade under an exclusive privilege to the Company.

AMONG the enquiries which were instituted, and the opinions which were formed, from the results of these enquiries, the prevailing idea seems still to have been, “that Government should take into its management, the territorial possessions of Great Britain in India, but leave the Company with their exclusive privilege of trade for a specified number of years.”

WITH a view to introduce a plan upon this principle, the following questions have been asked.

Preliminary question respecting the buildings which would be required for Government, and those which must be retained for the trade, with the answer.

1. “WHAT buildings, of every description, would be required by the Company, for the purposes of trade? and what buildings would be required by Government for the purposes of the civil, military, and revenue departments?” To this a general answer has been given with respect to Bengal. Here, it was thought, that all the buildings in the Old Fort and at Diamond Harbour, all those at the Bankfaul, and all the dwelling houses and warehouses at the different commercial residencies and aurungs, which are, at present, the property of the Company, would be required for the purposes of trade. That all forts, barracks, magazines, storehouses, and all buildings not included in this description, but which are, at present, public property, would

would be required for the purposes of civil, military, and revenue business. CHAP. II.

UPON this question, and the answers to it, it is to be observed, that the right of the Company to its *public property*, is admitted, though, as a part of their *dead stock*, it has a *real*, different from its *nominal* value. It, perhaps, would be impossible to refund to the Company, the sums which they have paid for many of the buildings required for the military service alone, such as the cantonments at Berhampore and Dinapore; but it might be less expensive to give a reasonable compensation for them, than to build others. If the Company are to be merchants only, they could have no use for military cantonments. If those which they have built, should be abandoned, it might, perhaps, be dangerous, with respect to the natives, who might seize on them, and if allowed to fall into ruins, it would scarcely be equitable with respect to the Company.

Remark upon the answer given to this question.

2. A SECOND question, connected with the preceding, was, what sum would be required to purchase the claims of the Company on the buildings necessary for the civil, military, and revenue departments; and to what sum would the building of others, for the same purposes, amount? In answer, it was stated, that these buildings could not be estimated without public measurements and surveys, which, in themselves, would be expensive; and that, at all events, as *dead stock*, it would be impossible to calculate their

Second question respecting the sum which would be required to purchase these buildings from the Company, with the answer.

CHAP. II.

their value, either from what they originally cost, or from what the materials of them would, at present, bring; but that military barracks, in every respect, preferable to them, might be constructed for half the amount of the value which would be put upon the solid contents of the masonry and timber in the old buildings.

Third question respecting the sum which the Company would ask, as the value of their military stores, with the answer.

3. It was asked, in the third place, “ what might be the sum which the Company would expect for their military stores?” To this an answer was given, “ that the estimate, in the books of the military board, was current rupees, 52,30,000, or £.523,000, and that this had always been stated under the head of *quick stock*.” It is, perhaps, unnecessary to make any other observation upon this particular subject, than to say, that if the value of the military stores was to be paid for, under the proposed system of leaving to the Company the management of their commercial concerns only, they certainly would have an equal claim to the value of their fortifications, allowed to be public property, though, from the mode of keeping their accounts, the value of these could not be so nearly ascertained, because the sums laid out on them, had always been included under the head of *dead stock**.

* There is this difference between the value of stores and fortifications, that the former is estimated on the quantity actually in the storehouses for use, whereas the value put on the latter, consists not only of the original cost, but also in that of the repairs which have been annually made upon them.

4. It was made a fourth question: What offices come under the description of civil, military, revenue, and commercial departments? and what are the allowances annexed to each office? The answer with respect to the Bengal Presidency was, in substance, that the *military* offices would appear in the returns. The offices in the *revenue department*, are those belonging to the Board of Revenue and the Khalsa; those subservient to the collection of the customs, to the salt branch, to the superintendence of the opium manufacture, to the adaulets, and, in general, to the collection of duties or rents of every kind. The offices in the *commercial department*, are those of the Board of Trade, those for the management of the import and export Warehouses, and those of commercial Residents or Agents. The offices, under the head of *Civil Department*, comprehend all the Company's civil servants who are not included in the two preceding departments. With respect to emoluments, that the books of the Military Auditor-general, and Civil Auditor, would, at once, shew the allowances of every office, except the advantage which commercial agents may derive from private trade.

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Fourth question respecting the offices held under Government, and under the Company, with the answer.

ACCORDING to the system, with a reference to which this question was stated, the civil revenue and military departments were to be placed under the executive government at home, and the commercial department was to remain under the Company. Government, of course, would fix the duty to be paid on any article of trade, while the commercial

Remark on this answer.

CHAP. II.

board would be, from the nature of the case, making frequent remonstrances against such duties, as incompatible with the success of trade. If the duties on trade were to be imposed by the commercial board, as servants of the Company, the trusts reposed in them would be at variance, for they would be both imposing and paying. The links in the chain are revenue and profits of trade, applied to support the civil and military establishments, to purchase investments, to pay off debts, and to afford dividends on the capital stock. To keep them connected, the offices must be either entirely in Government, or entirely in the Company under the controul of Government. No such difficulties could occur with respect to the military offices; the army being only the coercive instrument of the civil power.

Fifth question respecting the number of civil and military supernumeraries, with the answer.

5. It was stated, as a last question, What number of supernumeraries would be wanted annually for the civil and revenue departments; and how many Cadets and Ensigns would be required annually, to supply vacancies in the military department? The answer, for Bengal, was that about six writers would be annually required, the number for the subordinate Presidencies, might be supposed less. That estimating, by the average number of Ensigns, who have been brought upon full pay, for three years after the late peace establishment was arranged, about sixteen Ensigns would be annually required for Bengal. It is easy to form a conjecture, from the Madras and Bombay military establishments,

ments, compared with that of Bengal, what number would be necessary for each of them.

CHAP. II.

UPON looking back to the principal difficulties in the preceding plans which have been detailed, it must at once occur, that the questions were calculated to discover whether such difficulties were real or not. These answers have obviously the tendency to remove from the public opinion, the apparently politic, but really impracticable scheme of vesting the civil and military power with the administration of the revenues in the State, and leaving the commerce alone to the Company. In theory, this might be good, in practice, the answers to these questions shew, that it would be hazardous. The Indian provinces have been acquired and made of effectual service to Britain through commerce, and through it alone, perhaps, can they either be preserved to the empire, or made part of its productive resources.

The result of these enquiries was, that this plan, in the present circumstances, was impracticable.

THESE considerations brought forward the following plan, viz. to renew the Company's term for a specified number of years, to continue them in the management of the provinces, but to render the controuling power more efficient, than the regulating act of 1784 had done.

The last plan which has been proposed was, to renew the Company's charter, and to render the controuling power more efficient.

THE observation with which the proposer of this plan introduces it to notice, discovers his opinions to have been the result of study and of local information. Many weighty reasons (he remarks) occur against the plan of separating

General reasons assigned for adopting it.

CHAP. II.

the revenues from the trade, and no solid advantages could be derived from placing the civil and revenue departments under the sole direction of the executive power. If, on the one hand, the fostering aid and protection, and (what is of equal importance) the check of the governments abroad were withdrawn from the commercial department, the Company would not long enjoy a new charter, but soon be reduced to a state of bankruptcy; and if, on the other, the commerce was not connected with the revenue, the best measures which could be devised for the management of it, would not render it productive.

Variations
from the pre-
sent system
proposed in
it, viz.

The alterations proposed, are chiefly on the following subjects, viz. on the constitution of the Court of Directors; on the plans upon which the commerce is in future to be conducted; on the constitution of the Indian army; and on the connection to be established between Government and the Company.

To new mo-
del the Court
of Directors.

FIRST, the author of the plan is of opinion, that the number of the Directors is too great to manage business which requires secrecy and political discretion, and that this Court cannot be made responsible. To remedy these evils, it is proposed, that the number should be reduced to twelve, or perhaps to nine. That they should have ample salaries, but be prohibited from having any interest in, or connection with the contracts of the Company, or indeed any interest in the Company's affairs, as individuals, distinct from their shares in the capital stock entitling them to be Directors, because
this

this would interfere with the duties of their office. That the Directors ought not, in future, to have the power of appointing Governors, Members of Council, or Commanders in Chief; but that in the choice of the Members of Council, the executive power should be limited to Company's servants, of at least twelve years standing; assigning as a reason, that the safety of the provinces, as well as the service of the army and of the fleet in India, require that these offices should be filled by persons conversant in Indian affairs, as well as immediately answerable to Government. That the Directors, however, should have a circumscribed management of the whole of the British interests in India; that is, they should be allowed to frame regulations for the appointment to offices in India, and to check and controul every article of expenditure in the Presidencies: the greatest attention ought to be paid to the representations of the Directors, respecting the conduct of the Governors, Commanders in Chief, and Members of Council. If, after such representations, redress of a grievance complained of, should not be given to the satisfaction of the Directors, that then they should be vested with the right to insist on the recal of such Governors, &c. and to institute prosecutions against them before the Court, which has been established for the trial of Indian delinquents.

SECOND, he is of opinion, that there is no objection to opening the export trade from Britain to India; but that the principal articles in the import trade from India to Britain, should be confined to the Company. This last measure,

To open the
export trade
to India.

CHAP. II.

measure, he considers as necessary, because, without it, it appears doubtful, how far it could be practicable to remit the surplus revenue by bills of exchange; or possible to provide for the investments of the goods which pay the home duties to the state, and which bring foreigners to the British market. He contrasts this plan with the observations which have been made in the preceding plans on the Company's trade, and with the situation to which their commercial servants would be reduced, if a separation of the revenue and the trade should take place. To say, that when the Company were merchants alone, they were richer than at present, and that they would again become so, if reduced to be merchants only, is to forget that circumstances are totally changed. The Europeans, who at that time resided in India, were few; at present, they are numerous. Then, there existed no competitors to the Company; now, they are to be found in every auring. Under such a change, the Board of Trade could not make up investments; no man of credit would remain in the Company's service, and those who would replace them, would be held to be of an inferior rank to the servants acting under His Majesty's appointment. The contempt with which the Company's servants would be treated, would soon become obvious to the natives, so that whatever abilities they might possess, or however liberally they might be rewarded, they would soon become of no use to the Company. To these considerations, perhaps, he thinks, might be added, that if the Company were confined to commerce only, jobbing at the India-house would encrease to such a degree, as to produce a bankruptcy. The more extravagant scheme, of throwing open the trade, would have the obvious,

vious effect of encouraging speculations, debasing the quality of the goods imported from India to Great Britain, and, might occasion the loss of this valuable branch of the trade. What he considers as an insurmountable objection to such a scheme is, that if the relation between the Government and the trade of India should be dissolved, the British provinces would be over-run by desperate speculators, from all parts of the British dominions; indeed, from every part of Europe, who would purchase goods of any quality; ruin, of course, the quality of the Indian manufactures; and, by sending the produce of them, indiscriminately, to all the European markets, soon put a period to our trade. No man, therefore (he concludes) acquainted with the manners of the natives, and with the internal state of India, would seriously propose to throw the export trade from India entirely open, if, in forming his judgment, he took into consideration the importance to the natives, of preserving their manufactures; and no man who had traced the relation which these manufactures bear to the revenue, and which both bear to our home resources, would think of a separation, that would render it impracticable for the Company to make up their investments, or to continue their trade.

THIRDLY. He is of opinion, respecting the constitution of the army, that the European troops should all belong to the King, since experience has shewn it to be impracticable for the Company to find recruits for keeping up a respectable military

To new model the army.

CHAP. II. military establishment in India. That, however, it is highly expedient, that the native troops should belong to the Company, and that the officers destined to serve in those corps, should continue to be in their appointment. The cadets for these corps ought to be sent out at an early period of life, and should consider themselves to be entirely devoted to this particular service. Without a perfect knowledge of the language, and a minute attention to the customs and religious prejudices of the Sepoys, it would be impossible for their officers to gain their confidence and attachment, or to command them with effect. A practice too, would, of course, be introduced, if the Sepoy officers could exchange into the King's army, of selling their commissions to ruined officers in England, who, strangers to and unfit for this foreign service, would be held in contempt by their inferior officers, and in abhorrence by the native soldiers. As laws cannot be made to bind the King's prerogative in the exchange, or in the promotion in His army, it therefore would be the safest measure to make the Sepoy service distinct from the European, and to leave the patronage of it with the Directors.

To fix and define, more precisely than at present, the powers of the India Commissioners, and of the Court of Directors.

FOURTHLY. The observations on the connection which ought to subsist between Government and the Company, are in substance as follows: that the powers to be left with the Court of Directors, and those to be given to the Commissioners for Indian affairs, should be clearly and distinctly defined, not only as to their extent, but as to the mode of exercising them. That the Court of Directors should have
the

the appointment of writers for the civil branches of the service, and of Cadets for the native troops; and also the right to make such regulations (subject, however, to the approbation of the controuling power) as may, from time to time, be thought necessary for every part of the foreign government. That the Commissioners for India affairs should be vested with the right of inspection and controul over every branch of the Company's concerns, without excepting their commerce. That the Directors should not have the power of appointing or of recommending any of their servants to succeed to subordinate offices in India; but that this power should be entrusted to the governments abroad. Such appointments have often been the consequences of intrigue and of solicitation at home, and always have been productive of faction and of anarchy abroad. They have uniformly had the tendency to weaken the authority of the governments in India; so that while the Presidents and Councils were apparently vested with power and responsibility, they were frequently checked in the exercise of the one, and could not, of course, be called upon for the other. That it would be equally improper, to vest Government with the power of appointing to successions in the subordinate offices in India, as this might have similar inconveniences, and would weaken the authority which this plan proposed to give to the foreign Presidencies.

SUCH is the outline of this plan, with the reasons offered for the alterations which it recommends. The observation with which it concludes, "that it is easier

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to point out defects in any plan, than to substitute another good one in its place," is an apology for subjoining the following remarks upon it.

Remarks on
the effect
which these
alterations
would have
on the re-
sponsibility
of the Court
of Directors.

FIRST. On the alterations to be made in the constitution of the Court of Directors, it is doubtful how far the reduction of their number would render them more responsible; or how far responsibility, to the Public, is compatible with their character. To the Proprietors, indeed, who elect them, they are answerable for their conduct in the discharge of that trust which has been reposed in them; but the Proprietors, in themselves, form a small part of the Public, and can only be supposed judges of the profits which the trade yields, not of political measures. Indeed, if the controuling power be to extend over every part of the Company's concerns, the responsibility ought to be in it alone. In this way, it would be perfectly in coincidence with the principles of the constitution, as established and understood by the nation at large; and could, agreeably to this system, be made efficient, when reports on Indian affairs were made to Parliament.

—and on the
proposed
powers of
this court.

It is doubtful, in the next place, on the proposed constitution of the Court of Directors, how far it would be expedient to give them the right of insisting on the recal of Governors, Commanders in Chief, or Members of Council, in the event of complaints against them, not being redressed to their satisfaction: and it is farther pro-

problematical, how far it would be proper to give to the Directors a power of instituting prosecutions against such Governors, Commanders, or Members of Council, in the court for the trial of Indian delinquents. Might not such right put it in the power of an individual, if of a restless or vindictive disposition, to bring forward representations against the first and best men in India; recal them, at a time, when, perhaps, their services were of the utmost importance to the preservation of the provinces; and distress them with a prosecution, which though ultimately found to be groundless, might, from the expenses attending it, ruin servants of the Company, who had merited rewards?

ON the subject of the export trade to India, the proposition, however specious to the manufacturing interest of this country, would be extremely difficult in practice. Without entering into the question, how far it would be possible for the Company to render the Indian revenues productive in Britain, if the export branch of their privilege should be taken from them; the difficulty is to find out, how the open export trade could support itself, unless the import trade also should be entirely laid open. The ship of an exporter must, upon this system, return either with the produce of his cargo, in coin, or in such articles as might be allowed, which, from the competition that would naturally arise, would soon yield little or no profit. If the expedient should be proposed of allowing such traders to find a cargo in other countries

Remarks on the probable effects of the open export trade on India.

CHAP. II. within the Company's limits, they would, of course, resort to China and to the islands; and as it would be impossible to prevent their disposing of cargoes, procured at either, before they returned to Britain, the foreign markets might be supplied with China goods, independently of the Company's sales, and consequently the revenue arising from the imports would be abridged, if not entirely lost. It is indeed difficult to say what measures ought to be adopted, which, at the same time, would encrease the exports and yet prevent these consequences.

Remarks on
the proposed
arrangement
of the army.

ON the subject of new modelling the army, it will be admitted, that the inconveniences which have arisen from the circumstances in which the Company are placed, with respect to raising recruits, must be totally removed, and that some effectual mode must be devised for doing away the jealousies between the King's and the Company's troops. If the European troops are to be the King's, the difficulty of finding recruits will no longer exist, because it has totally arisen from the prohibition, under which the recruiting officer of the Company is placed, to enlist men in the same open manner with the recruiting officer of the King. If, however, the Company are to remain with the subordinate management of the whole of their Indian interests, it will come to be one of the principal subjects of consideration for Parliament,—How the Indian army can be modelled, in such a way, as to become a perfectly distinct establishment from the British; and how the European and native corps are so to be

be arranged in point of rank, that no causes of jealousy between them shall in future exist. There can be little difficulty in declaring the European army in India, a distinct establishment from the home army: nothing more is required than to enact, that the officer who enters into the one, and acquires rank in it, cannot exchange with the officer who has entered into the other, and acquired rank in it; and to fix the promotion in the Indian army upon perfectly distinct principles from those, upon which it proceeds, in the British army. It naturally, however, will become a subject of discussion for the Legislature, whether seniority, at present the principle of promotion in the Company's army, should continue to be the principle of promotion in the King's European military establishment in India. The great difficulty will be to adjust the rank between the Sepoy officer, who, under this system, is proposed to be left in the appointment of the Company, and the officer in the European corps, who is to be nominated by the King. The decision upon this subject must evidently proceed from a review of the events, out of which our military establishments in India have arisen.

To an accidental superiority in the art of war, the Europeans owed their conquests and their possessions in India. Such superiority could be temporary only; for, in proportion as the natives have had opportunities to observe, and to copy this art, we may presume, they would be disposed to adopt it. Few of them have, as yet, copied it with effect; and, perhaps, the safety of the British provinces

CHAP. II.

vinces depends upon the continuance of the prejudices of the natives, in favor of their ancient method of carrying on war. In the single instance in which any native Prince has laid these prejudices aside, we have had expensive proofs of the difficulty of resisting him. Monsieur Bussy made his conquests with a corps less numerous than the vanguard of our army in the late war in the Carnatic; Colonel Coote opposed Hyder Ally, in 1763, with an army less numerous than Colonel Baillie's ill-fated detachment. It was with difficulty that the same General, at the head of 10,000 men, could repel the incursions of Hyder Ally in the war of 1783. Our ideas of the timidity of the Sepoy corps, have now turned into admiration of their steady discipline and valour. As we cannot keep up a numerous cavalry to oppose the Indian Princes, our armies must now act in great bodies. So sensible were Hyder Ally and Tippoo Sultan of this circumstance, that their leading object, in their late wars, was to cut off our detached parties, and to avoid general engagements. The inference is obvious; a large military force must be kept in India; only a very small part of it can be composed of Europeans, the greatest number must necessarily be native troops, commanded by European officers. According to the plan, we have been considering, the Cadets for the Sepoy corps are to be in the nomination of the Company, and their services are to be limited to that corps. It will, therefore, be for the consideration of the Legislature, to devise an arrangement by which the ranks of King's European, and Company's Sepoy officers may be equalized: particularly
after

after either have attained to field rank, when the question of command must often occur, and when preference to the one or to the other, would have the effect of continuing jealousies detrimental to the service, like those which, at present, subsist between the King's and the Company's armies.

ON the subject of the connexion proposed to be established, between the executive government and the Company, much delicacy will be required. It is now perfectly understood, in Britain, that no greater share of patronage ought to be vested in the executive power, than is required to exercise that power with effect, and with advantage to the Public; and that the responsibility to which the executive power is constitutionally bound, is a constant check upon the improper use of it. It is also understood and admitted, that unless the persons to be employed by the executive power, are subject to its perpetual controul, it would be impossible to make the Commissioners for the affairs of India responsible for the measures they may follow. Though then, this plan certainly furnishes many of the greater lines for a system of Indian affairs, it leaves the lesser ones to be filled up, and these will become matters of not less difficult arrangement. The appointment of Governors, Councils, and Commanders in Chief, by His Majesty, from whom they are to receive their instructions, and to whom they are to be answerable, in the first instance, may, at some future period, be a measure of policy. The declaring the whole European corps, serving

Remarks on the proposed connexion between the executive Government and the Court of Directors, as it may affect the constitution of Great Britain, or the interests of the Company.

CHAP. II. in India, to be an establishment, under His Majesty, distinct from the British army, would be a measure calculated to supply the Indian army with recruits, and to terminate dissensions among the officers. Whether, after the first nomination of a Cadet, either by the King or by the Company, promotion should go on by seniority, at least, as far as the field rank; and whether, after that point shall be reached, the promotion may not be left with the Commander in Chief, in India; are questions of expediency, which can only be solved, by a full consideration of the nature of the service and of the aspects which, from time to time, it may assume.

As by this plan, the nomination of Cadets to the Sepoy corps is to be left with the Company, the patronage of the executive power is limited, in the only article, regarding the military department, in which it admits of limitation. It will readily be allowed, that as the Sepoy Cadets are to devote their lives to a particular service, become acquainted with the language, customs, and religious prejudices of the soldiers, every encouragement which their country can give them, or the service can afford, should be paid as a debt due to merit. As by this plan also, the nomination of the writer, or civil supernumerary, is to be left with the Directors, they would retain the authority which they are best qualified to exercise. It will, however, become a question, in the final arrangement of this part of the subject, whether, even upon this plan, the Sepoy officer ought not, upon his attaining the field rank,

rank, to be vested with a King's commission, and entitled, in common with the officer of the European corps, according to his standing and merit, to be entrusted with a command.

HAVING thus taken a view of the progressive plans which have been offered for the government of our Indian possessions, and regulation of trade, to the East-Indies; and having narrowly watched the approaches, which, in each of them, have been made to the actual state of Indian affairs; having also suggested, in illustrating these plans, the references which must, on all occasions, be made to the mixt tenure of conquest and of treaty, upon which we acquired and still continue to hold our dominions, and to the relation which the revenue bears to the commerce, as well as to the domestic resources and trade of Britain, we have collected the information, from which the Legislature may either form a plan, or examine suggestions leading to one, upon this great national subject. To the natives of India, a government must be given which shall accord with their prejudices and characters; to the Proprietors of India stock security for the value of their property; to the Directors regulations accommodated to the duty they owe to the Proprietors; to the State the means of more fully uniting a foreign dependency with the empire; to the commercial interest, imports and exports, which shall furnish materials for the skill and industry of the manufacturer; and to the nation an extending navigation, and a revenue which shall at once add to its power and to its credit.

The end proposed in this review, is to prepare the Public to form, or to adopt a system for Indian affairs, founded on the evidence of experience.

CHAP. II. **WITH** the object of reconciling these seemingly various, but really connected interests, we may now, with propriety, draw into notice the outlines of a plan for the foreign government and trade of British India, and for the domestic regulation of Indian affairs, that shall rest on the solid evidence of experience. The probity and good sense of the Public will examine every proposition in it, and adopt a part or the whole, as they may be coincident with the spirit of the constitution, and calculated to preserve and to promote the commercial eminence of Great Britain.

H I S T O R I C A L V I E W
O F P L A N S
FOR THE GOVERNMENT AND TRADE OF
B R I T I S H I N D I A, &c.

C H A P. III.

COMMERCIAL AND POLITICAL PRINCIPLES ARISING OUT OF
THE NATURE OF THE TRADE TO THE EAST-INDIES; AND
OF THE HISTORY OF THE COUNTRIES WITHIN THE COM-
PANY'S LIMITS, WHICH SEEM NECESSARY TO BE RECOL-
LECTED IN FORMING A PLAN FOR THE FUTURE ADMINI-
STRATION OF INDIAN AFFAIRS.

C O N T E N T S.

Importance of the British Possessions and Trade in the East-Indies.

---Events and Circumstances upon which the Plan to be adopted for these national subjects must rest---Commercial and political Principles to be recollected in devising a Plan for Indian Affairs.---

I. The Legislature may dispose of the British Possessions in Hindoostan, and Trade to the East-Indies.----

Illustration from the progressive Grants and Charters given by the State to the East-India Company.----Result.---Opposite Arguments which have been maintained upon this Result.

II. The East-India Company, as a Body Politic, must either have its Charter renewed, or be enabled to dispose of its Property, discharge its Debts and realize the Value of its Stock.----*Illustration from the Nature of the original Constitution of the Company---from the Nature of their quick and dead Stock Abroad and at Home---from the Title which they have to interfere with British Merchants trading to the East-Indies;----from their Obligation to discharge their Debts;---and from their Claim to the Value of their Proprietary Stock.*

III. A System for the East-India Trade must arise out of the Nature of that Trade, which might be lost to Britain by any Attempt to turn it into a new Channel.---*Illustration,---from the Sources of the Trade,---which originated in accidental Events,---that were improved on by political Measures;---First Destination of the East-India Company's Ships.---Progressive Lines of their Commerce, till the Acquisition*

OF THE BRITISH GOVERNMENT

Acquisition of Territories.---Change produced in it by the War of 1756.---It now assumes two distinct Aspects. 1. Trade to China.---Exports from Britain to China in Bullion and in Goods, previous to the passing of the Commutation Act.---Exports from India to China in Bullion and in Goods, previous to passing that Act.---Bills drawn on the Directors from Canton.---Prime Cost of Imports from China to Britain.---Amount of Sales.---Commercial Principle upon which the Commutation Act was founded.---Remote and immediate Circumstances which reduced this Principle to Practice.---Commutation Act explained.---Effects of it when passed into a Law. ---On the Exports from Britain to China.---On the Amount of Bills from China.---On the Prime Cost of Imports on the Amount of Sales at Home.---Effect of the Commutation Act on foreign Companies,---and on the home Revenue.---Efforts of the Company to extend the Circuit of their Trade with China.---Result of the whole of these Facts and Events. 2. India Trade.---Bullion sent to India since the Acquisition of the Territories.---Exports---Imports---Connection of the India Trade with the Revenues.---Progressive amount of the Revenues.---Objects to which the Surplus was originally to be applied.---Sources of the Debt of the Company, as contracted upon the whole of the Revenue and Trade.---Progressive Amount of the Debts.---Result. Question, Whether the Trade has a Claim on the Revenues.---Collective View of the Advantages of the East-India Trade to the Proprietors and to the Public,---

in the Sums paid on the Renewal of their exclusive Charter,---in the Amounts of home Duties and Customs from the East-India Trade,---in the Dividends received by the Proprietors.---Amount of the Charges of Freight and Merchandize.---General Inference establishing the Principle upon which the British Trade to the East-Indies must proceed. IV. The Government for British India must accord with the Characters of the Natives, and with subsisting Treaties.---*Illustrations from the History of Hindoostan.---Ancient Government of India monarchical,---became more absolute on the Establishment of the Mogul Empire,---and still more so, when the Mogul Government took a regular Form.---The Spirit of the Mogul Government suited to the Situation of the dependent Princes,---continued after the Subversion of the Empire,---became still more absolute under the Usurpers,---Inference from this Review of Government in Hindoostan.---The internal Administration of the Empire coincident with the Character of the Government,---was more rigid in the Provinces than at the Seat of Empire.---The judicial Power accorded with the Spirit of the Government,---and the financial System with both. The East-India Company acquired their Territories, as the Officers or Allies of these absolute Princes.---Britain cannot, in Consistency with subsisting Treaties, recede from this Tenure,---but must as the Basis of natural Faith and Expediency continue it.---Difficulty of engrafting distant Provinces upon a free Constitution.---Result.*

Importance
of the British
possessions
and trade in
the East-
Indies.

HAVING, in the introduction to these sketches, brought under review the leading events in the history of Hindoostan, in connexion with the general progress of the East-India Company, both before and since the period when the commerce was connected with the Indian revenues; and having detailed the series of plans, which have been offered to the Legislature, or been suggested by those, whose local knowledge abroad, or whose opportunities at home, qualified them to give opinions upon the system by which Indian affairs are regulated, we may now proceed to submit to consideration the commercial and political principles, which must enter into any plan, that may be devised, for the future administration of them.

THE importance of the government and revenues of the British possessions in Asia, will readily be admitted, if we consider either the extent of the British provinces, the number of the inhabitants, or the actual amount of the revenues. The importance of the trade will become obvious, if we advert to the tonnage which it employs, to its forming one of the most considerable branches of our foreign navigation, to the quantity of British manufactures exported to the East, to the relation between the revenues of India and the trade, to the materials which the imports afford to our manufactures,

nufactures, or to the duties and customs which the Public derive from the imports. Hitherto the Legislature have been making experiments to prepare the nation for a plan of government, of jurisdiction, and of commerce suited to the diversified characters of the British subjects in India, and to those of our dependents and allies; and yet, on the renewal of the Company's privileges, or upon any plan which the Legislature may devise for the government of the Asiatic provinces of Britain, as there must occur opportunities for further regulation and improvement, it will be difficult to consolidate the whole into one great system. Hitherto, in the same manner, we have been making experiments on the mode of rendering, through the Company, the trade to the East-Indies more extensively useful to the nation; at first, obliging them to send out British produce proportioned to a certain amount of their capital stock, then enforcing this measure by regulations, as a national one; then trying to introduce a more profitable exchange with the Chinese, upon the basis of a commercial treaty; and lastly, speculating upon the question, whether the quantity of British exports would become greater if the trade were opened, or if it be not already, as large as the demand will admit. After all the information obtained upon this subject, still it will be an important consideration how far the nature of the case will allow deviations from the established practice, or the admission of a new plan.

CHAP. III.

Events and
circumstances
upon which
a plan for
these national
subjects must
rest.

UPON these national subjects the history of the countries which we govern, or to which the limits of the Company's trade extend, and the nature of the trade itself viewed in all its magnitude, must suggest circumstances calculated to fix the attention of those who are intitled to judge of what is practicable, and to pronounce on what is merely speculative. The progressive grants and charters given to the Company, when recollected, will suggest the political principle upon which either their claims or their rights, as a body corporate, can be admitted or rejected. The magnitude of the East-India trade, and the immense property vested in it, with the necessity of preserving and invigorating the whole, will suggest the commercial principle upon which opinions may probably turn. We are not to consider the East-India trade upon the narrow idea of a monopoly, calculated to enrich a few Directors and Proprietors; but upon the facts, that the commerce is conducted upon a large capital, that the sharers in India stock are as numerous as they would be in an open trade; that the Proprietors are entitled to give their opinions upon every measure, which regards the Company's interest; that for a sum of a lesser or a greater magnitude, not only British subjects, but foreigners, can vest their property in this trade; and thus, that it draws, as to a centre, large portions of the wealth of our own, and of other nations; that it extends and nourishes our navigation; that it affords a profitable dividend to the holders of stock, whether otherwise engaged in trade, or not, that

it gives to the artist and to the manufacturer opportunities to dispose of the produce of their skill and of their industry, and to the merchant a field for his enterprize; that thousands receive a livelihood from the Company, either from employment in England or in their shipping, who, upon the plan of an open trade would be left in a situation, the distresses incident to which we may conjecture, but could not relieve; that, in one word, the East-India Company may be considered as the British nation trading to Asia, bringing home the surplus revenues of provinces in a manner which ensures the duties and customs to the Public, and that Britain has obtained a weight in the trade which other European nations can neither balance nor bear down.

THE events which first led the Legislature to institute enquiries into the actual state of Indian affairs, and the gradual manner in which these enquiries terminated in establishing the controul of Government over the political and financial concerns of the Company, the improvements which the experience of the executive power has introduced, as circumstances required, the knowledge which has been obtained of the manner in which this superintendence can be exercised with safety to the constitution, will unite in suggesting the political principle upon which the domestic administration of Indian affairs must necessarily rest.

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Commercial and political principles to be recollected in devising a plan for Indian affairs.

It may therefore tend to facilitate the formation of a plan for the future administration of Indian affairs, if commercial and political principles, illustrated by the events, out of which they have arisen, and by the documents and accounts which form the authenticated evidence of their justice and propriety, should be brought forward to the notice and recollection of those, who are to decide on this national subject.

I. The Legislature may dispose of the British possessions in Hindoostan, and trade to the East-Indies.

FIRST. *The territorial possessions of Great Britain in Hindoostan and its dependencies, and the right of disposing of the trade to India, the Eastern Islands, and to China, will belong to the Public in March 1794, and the State may then re-grant them, by a new charter, to the present East-India Company, (which will remain a body corporate, intitled to trade to the East-Indies, on a joint stock,) or it may retain the territories and revenues, to be at the disposal of the Public, and lay open the trade to all the subjects of this realm.*

Illustration, —from the progressive grants and charters given by the State to the East-India Company.

QUEEN Elizabeth, by charter, dated 31st December 1600 (the 43d of her reign), erected the London East-India Company into a body corporate and politic, to have succession, entitled to purchase lands, and to be under the management of a Governor, Deputy-governor, and twenty-four persons, to be called *Committees*, who, jointly, were to have the power of directing voyages, to have the provision of shipping and merchandize, and, in fine, the administration of whatever might belong to the Proprietors. Thus defined, the Company were empowered “to trade into the countries

of Asia, Africa, and America, or into any of them, beyond the Cape of Bona Esperanza, to the Streights of Magellan, where any trade or traffic of merchandize might be used, in such manner as should, from time to time, be agreed on at any public assembly, or Court of the Company. This first charter contains also the proviso, "That in case these privileges were hereafter to appear not to be profitable to the Crown and Realm," then, upon two years notice to the Company, the charter was to cease and determine; but if profitable, then the Queen promises, at the end of fifteen years, upon the Company's suit, to grant them a new charter for fifteen years longer.

ON the 21st of May 1609, James I. renewed the deed of corporation with succession and perpetuity, confirmed the Company's constitution, and reserved the power in the Crown, to resume its rights on three years notice.

ON the 3d of April 1661, Charles II. renewed their charter to the Company, upon the same principles, with the additional powers of exercising civil and criminal jurisdiction in their factories, &c. according to the laws of England; of exporting warlike stores, of making war and peace, of fortifying their settlements, and of seizing interlopers. The Presidents and Councils, in their factories, were farther allowed to punish Fences, according to the laws of England. In 1609, the same sovereign granted them the island of Bombay, and, on the 16th of December

1674,

CHAP. III. 1674, the island of St. Helena, to be held in as ample a manner as it came to the Crown. Bombay was to be held in *focage*, at £.10 per annum rent, but without any power to alienate any part of the island, except to the subjects of the Crown of England. The Company also were allowed to establish Courts of Justice in these islands, exercise martial law, and further, the powers granted for the island of Bombay, were made to extend to the other settlements of the Company. These privileges were again confirmed by a new charter, dated 6th October 1677, with the additional right of coining money in India. By another charter, in 1683, the Company were again invested with the government of their forts, the power of making peace and war, of mustering forces, of exercising martial law, and of creating Courts of Judicature, reserving to the King his sovereignty. James II. afterwards confirmed these privileges by a new charter of the 12th April 1686, ratifying this power of enforcing martial law, of appointing Admirals and Captains, of making war on Indian Princes, &c.

UPON the Company's non-payment of the duty of 5 per cent. which had been imposed on their stock by the 4th and 5th of William and Mary, these charters were forfeited, but restored by a new one, in which the Company were bound by two acts of regulation, to conform to such orders as the King, with the advice of his Privy Council, might express and direct.*

* The deeds of regulation are dated 11th November 1693, and 28th September 1694, and were carried into effect.

THE opinions of the Public, at this juncture, were much divided respecting monopolies, and the value of the Indian trade; as well as respecting the conduct and management of the London Company in particular. In consequence of this state of public opinion, Parliament listened to the offer made, by a new association, of a loan of £.2,000,000, at 8 per cent. erected the *English East-India Company*, and transferred to them privileges which, it was soon found, were incompatible with those that the Bill of Rights had confirmed to the old Company. Hence arose the necessity of uniting the two Companies, and of forming that one which at present exists.

THIS event took place in the year 1702; after passing through the forms of a resignation to the Crown. The whole privileges of the *London Company*, from royal grants and licences, and the whole rights of the *English Company*, from the charter 1698, were confirmed to the *United Company of Merchants trading to the East-Indies*.

By an act, the 10th of Queen Anne, the clause for determining the exclusive privilege, after three years notice, from the 25th of March 1726, was repealed. The debt due, by the Public to the Company, was increased to £.3,200,000; the annuity on which was fixed at £.160,000; and their term prolonged to 1733.

By the 3d of Geo. II. upon the Company's giving £.200,000 to the Public, and agreeing that their annuity should

CHAP. III. should be reduced to £. 128,000, their term was prolonged to one year's notice, after the 25th of March 1736.

MATTERS remained nearly in this situation till 1744; when, by the 17th of Geo. II. upon the Company's agreeing to advance £. 1,000,000 further to the Public, at 3 per cent. (which raised the debt due by Government to them to £. 4,200,000) their term was extended to 1780, and by 23 Geo. II. the interest on the whole debt to the Company, was fixed at 3 per cent. making the annuity £. 126,000.

IN 1767, the Company agreed to pay £. 400,000 annually, to the Public, for two years, as a species of quit-rent of the territorial acquisitions, which their forces, in conjunction with those of the King, had, during the war, acquired for the nation; and, in return, had their territories granted to them for two years.

By the 9th of Geo. III. the annual payment of £. 400,000 was continued to the Public, for five years, after 1769, by half yearly payments of £. 200,000 each; and the territorial acquisitions confirmed to the Company till 1774.

By the 13th Geo. III. the Public advanced £. 1,400,000, to be applied for the relief of the East-India Company, and postponed the payment of their quit-rents, &c. established the Supreme Court of Judicature, and the supremacy of the government of Bengal. The 19th of Geo. III. continued the territorial acquisitions to the Company, till the 5th of April 1780.

By

By the 20th of Geo. III. the loan of 1773 having been repaid by the Company to the Public, and the bond debt reduced to £.1,500,000, the territorial acquisitions were continued to them till 5th April 1781.

By the 21st Geo. III. the exclusive privilege and territorial possessions were confirmed to the Company, on payment of £.400,000 to the Public, till March 1791; when, upon three years notice, to be given by Parliament, their exclusive privilege of trade was to cease and to determine. This act, however, in the terms of all the preceding grants and acts, specified, that the Company, even after the expiration of their term, were to continue a body politic and corporate, entitled to trade to the East-Indies on their joint stock.

UPON these acts the East-India Company have continued, not only their characters of merchants and delegated sovereigns, but their property is now of two perfectly distinct kinds, viz. the sums employed in trade, and the amount of the revenues annually derived from the territorial possessions. The first may be considered as absolute property belonging to them as merchants; the second, as property to which their charter, from the Public, gave them a legal claim till their term should expire.

TAKING then the original charter of the Company from Queen Elizabeth, as the basis of all the subsequent grants and charters, down to the union of the *London* and *English* Companies, into one view, and then considering all the

Recall.

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charters that have proceeded upon acts of parliament, before and since the Company acquired the territories into another, it is evident; in the *first place*, that the whole rights of the East-India Company have been conveyed to them by the state, for the purposes of promoting and encouraging trade, within certain defined limits: In the *next place*, that the privileges of acting as delegated Sovereigns have been given to them, in consequence of a succession of political and commercial events; and, therefore, by law, cease and determine, at the expiration of their exclusive charter. Judging, therefore, of the right of the state to dispose of the British trade and territories in the East-Indies, from all the circumstances which have attended the progress of the East-India Company, and from the motives which have actuated the Legislature, the inference is obvious; that the state has the right both to dispose of the trade within the present Company's limits, and of the territorial possessions which have accrued to it, in the manner that it shall deem the most beneficial for the British nation, the Company still retaining a right to trade on their joint stock.

Opposite arguments which have been maintained upon this result.

THOUGH the right of the state has been admitted, upon the opinions of the first lawyers of Great Britain, it has been made a question, and will naturally occur in the moment of discussing Indian affairs, how far the Public, in equity, ought to avail themselves of that right. The reasonings upon this subject may be divided into those of the political economists, and those of the lawyers. The former have asked, on the one hand,—Is it proper to have a Com-
pany

pany of Merchants, acting as Sovereigns, when they themselves are only subjects? Is it prudent to have a lesser wheel turning on a different centre from the greater wheels of government? Has not the state, by law, a right to what the subjects acquire by arms, or by treaties? And, ought it not to assume this right, and declare to its Asiatic subjects, the immediate relation subsisting between them and the British sovereignty? They have asked, on the other hand,—Have not the territorial possessions been controuled by the executive government, responsible to Parliament? Have not the territories of the Company been accessories to the chartered rights of the Proprietors, acquired by the skill, the industry, the bravery, and the good fortune of their servants abroad? Would it be proper to deprive them of the territories, or would it be consistent with a liberal interpretation of the charters under which they acquired them? If, even upon the ground of public expediency, the Company were to be deprived of their exclusive privilege of trade, or of the revenues which have ministered to its support and prosperity; would they not be entitled to a compensation equal to the sums which have been risked in carrying on the one, or in acquiring the other? Would they not be entitled to the present value of both, and to the probable profits on the amount which they have expended? Ought not, in fine, the Company to have a reward for the exertions and industry, which have placed our Indian empire in its present state of prosperity?

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THE opinions of the lawyers on this subject have been different with respect to the general result. On the one hand, they say, that whatever subjects acquire by treaties, or by conquests, they acquire for the state; and they support this conclusion, with the respectable opinions of Chancellor York and Earl Camden, and the resolution of the House of Commons in 1773. On the other hand, they assert, that though this principle of law be admitted, yet it does not apply to the novel case of the East-India Company. The purchases which it has made since its first institution, and the phirmaunds and funnuds, by which these purchases or acquisitions have been confirmed, have all arisen out of the spirit of the successive charters, which made the Company a body corporate, with succession and perpetuity, and gave them a right, not only to make these purchases, but to dispose of them to the subjects of this realm. The conquests too have been made under public authority; and, as a private ship of war has a right to her prize, so the East-India Company, being authorized to arm, make reprisals, conquests from, and treaties with Indian powers, has a virtual right to its acquisitions. It is true, that in 1794, in consequence of the notice given by Parliament, the exclusive right of trade may be taken from the Company: but still it is admitted, that it will retain a right to be a body corporate, and to dispose of its legal property. It will therefore be extremely difficult to give to it a compensation, upon a liberal view of all the circumstances.

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It remains then with Parliament to judge, whether it will be most for the advantage of the Public, to continue the trade with the present East-India Company, in connexion with the revenues of our Asiatic possessions; or whether it will be expedient to assume the revenues and possessions, and to place them under the immediate direction of the executive power, continuing the exclusive privilege of trade with the Company, or laying it open to all the subjects of this realm.

SECOND. *That the present East-India Company, from the tenor of all its charters, having a right to remain a body politic and corporate, and to trade to the East-Indies on its joint stock, must either have its charter renewed for a limited time, or if its exclusive privilege shall cease and determine, it must have the liberty of disposing of its property, be enabled, under the circumstances in which it may be situated, at the expiration of its charter, to discharge its just debts, and to realize the value of its proprietary stock.*

II. The East-India Company, as a body politic, must either have its charter renewed, or be enabled to dispose of its property, discharge its debts, and realize the value of its stock.

THE review which we have taken (in the preceding article) of the charters which originally constituted, and have, through a long series of years, supported the East-India Company, as well as the facts and events which have marked their progress, leave no doubt of their legal existence, even supposing their exclusive privilege to be taken from them. This being admitted, the questions which will naturally come to be answered, before an assent can be given to the principle now announced, will be, in the first place,

Illustration,
—from the
nature of the
original con-
stitution of
the Company.

CHAP. III. What compensation will be due to the Company? In the next, What inconveniences will it be in the power of the Company, trading upon a joint stock, to bring upon other merchants who may engage in the commerce to the East-Indies?

—from the nature of their quick and dead stock abroad and home.

THERE can be no doubt, that, as a legal body, the Company have a right to dispose both of their *quick and dead stock* at home; and there can be as little doubt, that they will have a title to dispose of their *quick stock* abroad. It will however, be a matter of discussion, how far they are entitled to dispose of their forts, factories, or seats of trade, or, in general, what is termed their *dead stock* abroad; or what compensation they might expect for this stock, if it should be assumed by the Public.

It appears, that the Company obtained the islands of Bombay and St. Helena, *in fockage*, from the Crown, the latter for a quit-rent of £.10 *per annum*; and that these islands were to be held by the same tenure as the manor of East Greenwich. And that if the Public did not grant them the same defined legal rights to the other seats of their trade, or to the districts round their factories, which they had acquired by purchase, and for quit-rents to the country powers, anterior to their conquests, that it was because such grants from the Crown of England were not necessary to them as a body politic, or because these grants could not be given by a power which had not a right to dispose of that property, as it had

of

of Bombay and of St. Helena, of Calcutta and of Fort St. George; but had only the right to authorize the Company to make purchases, and to acquire or to dispose of such a property, &c.

THOUGH no question, respecting the territorial acquisitions, to be derived from conquests or from treaties (as the Company represented the nation), could then be instituted, a new difficulty certainly presented itself when that specie of property had been obtained. It may therefore be expected that the Company shall ascertain what part of their dead stock they got by purchase, or for a quit-rent from the country powers; and what property they have acquired by conquest, or authorized treaties. That they have a right to the first of these kinds of property, or to the original purchase money given for it, or to its present value, may be admitted. That they have no right to their conquests, or to the cessions made to them by the country powers, the law has established. It is, therefore, for the Legislature to pronounce, whether their holding from country powers, gives them claims of any kind.

SUPPOSING then that the Public have formed a decided opinion on this subject, and that it has given to the present East-India Company that compensation for their *foreign dead stock*, which, in justice is due to them, and which the equity and liberality of the English nation will cheerfully pay, still a difficulty will arise with respect to the interference in trade, to which the Company will be entitled, either with
any

—from the title which they have to interfere with merchants trading to the East-Indies.

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any new body of merchants, or with private traders to the East-Indies. With the former, the interference would bring on that competition, which, from the nature, both of the China and India trade, could not but terminate in the bankruptcy of the one or the other. With particular adventures, the interference would not only have this tendency more quickly, but, in the China trade (from the political maxims of the Chinese), might expose all the subjects of the King, trading to that country, to personal danger, and their property to confiscation, and might ultimately throw the trade into the hands of rival European companies.

It will therefore be for the wisdom of Parliament to devise, in what manner the Company are to be prevented from interferences, either with a new mercantile association (if it should be constituted) or with individual traders, if the commerce should be thrown open.

Suppose their
obligation
to discharge
their debts.

SUPPOSING then, that both of these difficulties could be removed, viz. the satisfying of the Company for their foreign dead stock, acquired by purchase and treaties; and the preventing their interference, in their corporate capacity and with their joint stock, with any new mercantile association, or with the free traders, it will next come to be considered, in what manner are the debts of the Company to be discharged? and how are the Proprietors to recover the value of their stock?

ACCORDING

ACCORDING to the accounts made up at home of the debts of the Company, for the 1st of March 1793, they amount (including the transfer debt) to the sum of £.15,601,069. If we exclude from the amount of this debt, first, a sum equal to the debt due by Government to the Company, (£.4,200,000) leaving it to be set off against the annuity due, or that may be sold by the Company; next, if we leave out the capital due to the Proprietors of East-India stock, amounting to £.5,000,000, and such floating debts as occur in the common course of their business, amounting to £.2,454,579 (because an equivalent for both these will be found in the assets of the Company at home, afloat, and abroad, amounting to £.12,913,854, exclusive of the debts owing to the Company in India), still the debt at home is £.3,946,490. It is impossible, at present, precisely to ascertain what the amount of the debts in India, bearing interest, was at the conclusion of the late war. According to the latest accounts received, the debts in India, bearing interest, amounted, on the 31st January 1792, to £.6,933,943, and the floating debts to £.2,150,607, being in the total £.9,084,550.

It is difficult to say, what may have been the total expenses of the late war, in which Great Britain has been engaged in India. But, whether, on adjusting the accounts abroad, it shall be found, that the Company's affairs are better or worse than the above statement, it affects not the principle, that they must be enabled to discharge their debts.

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And from
their claim to
the value of
their Propri-
etary stock.

IT will likewise be admitted, that the Proprietors of India stock have an equitable claim to the fair value of that stock; and, though it would be difficult to say, at what sum the Public ought to fix this value, yet it certainly ought to be at a sum that would yield (from legal interest) an equivalent to the 8 per cent. on the £.100, stock, which the Proprietors now actually draw. The Proprietors, as has already been stated, have a right to their original subscriptions; and, it will also be admitted, that they entertain a reasonable expectation either of being allowed to continue their trade, or to receive some compensation, if deprived of the profits which they at present draw from it.

FROM, then, the political character of the Company, as a body corporate, and from the right which it possesses (even supposing its exclusive privilege to cease and determine), to continue to trade to the East-Indies, on its joint stock, and consequently to interfere with any new body of Merchants to which the Public might transfer the exclusive privilege, or with individual merchants, on the supposition of an open trade; from the condition in which the Public must leave the present Company to discharge its just debts, and from the reasonable hope of the Proprietors to recover the equitable value of their proprietary stock; it will remain for the wisdom of Parliament to pronounce, whether the present system of Asiatic commerce ought to be continued, or whether it is to devise a new plan, that shall be adapted not only to the preceding purposes, but calculated to give fresh vigor to this important branch of our trade and navigation

gation, and to render that trade, in its connection with our Asiatic provinces, a productive resource of the British empire.

THIRD. *The system which is fitted for the preservation of the British East-India trade, must arise out of the nature of that trade, and can only be established on the events which have brought the trade to its present extent and magnitude. If any plan should be adopted, originating in speculative schemes of commerce, the permanency of our present Asiatic commerce might be endangered, and the balance of profit, arising from it, with the benefits which the resources of Great Britain receive, might pass into the hands of rival European Companies.*

3. A system for the East-India trade must arise out of the nature of that trade, which might be lost to Britain by any attempt to turn it into a new channel.

IN order to illustrate this principle, we have *first*, slightly, to advert to the general sources of the East-India trade; *next*, to refer to the sources and extent of the *China trade*; and, *lastly*, to the sources of the *India trade*, both before we had territories, with which to connect it, and since that event has made the trade, the means by which the revenues from these territories can be realized in Britain. A few facts, without any reasonings on them, will illustrate the principle, which has been announced, or establish it as an inference from experience.

Illustration from the sources of the trade—

IN a preceding part of these sketches, we resorted to the principle in commercial œconomy, that trade arises not out of plans or systems, previously laid down, for creating or im-

—which origi-
nated in ac-
cidental
events;

CHAP. III. proving it. The British trade to the East-Indies, will illustrate it. The accidental discovery of the passage by the Cape of Good Hope, shut up the ancient route of the trade between the East and Europe; this event happened to coincide, in time, with the general spirit of adventure, which prevailed on the decline of the feudal system. England, in common with the other nations of Europe, felt and cherished this disposition, and the wisdom of the politic Elizabeth perceived, that the natural resource of her kingdom consisted in manufactures and commerce.

— that were
improvement
by political
measures

THE Portuguese had already discovered the navigation to the East-Indies by doubling the promontory of Africa, and had created to themselves an empire and a trade in those parts of Asia which hitherto had not been visited by the Europeans. The Dutch, now struggling for independence, acquired a share in the commerce, as well as in the eastern dominions of the Portuguese. Great Britain, at this juncture, was but commencing her commercial career; the useful arts, in England, were as yet few; the superior value of our produce was not yet known; and the credit of our merchants but beginning to gain ground, and unequal to great commercial enterprizes.

—in imitation
of those of
Portugal and
of Holland.

It may, therefore, be easily inferred, that when England entered upon the East-India trade, it was an adventure, in imitation of the Dutch; like them, the London Company collected bullion in Europe, carried out small quantities of woollens

woollens and other manufactured productions, and thought of nothing beyond the profits which the sales of their imports from the East would produce.

By degrees, however, the English trade to the East-Indies began to assume distinct forms: some of the Company's ships were sent to the Eastern Islands; others of them to the Peninsula of India. As the Portuguese and Dutch had set the example of fixing seats of trade, with guards to them, in India and in the Islands, and houses of trade (being all that was allowed to them) in China; the London Company established factories, adding to the number, as their commerce and their importance in the East increased. Some of the Company's ships went to India, and returned with cargoes to Britain: others of them went from India to the Spice Islands and to China, with the object of completing their cargoes, and, after a circuitous voyage, returned to Europe, to be rewarded by the profits from the sale of them.

First destinations of the East-India Company's ships.

It appears, that when the East-India Company traded upon shares, not upon a joint stock, their trade was scarcely able to support itself; for they divided very small profits, compared with those which the Dutch drew at the same period. No sooner, however, had they imitated that nation, by trading on a joint stock, than their commercial importance began to increase, and the demands for British

6

exports,

Progressive lines of their commerce, till the acquisition of territories.

CHAP. III.

exports, consisting chiefly of woollens, lead, tin, copper, &c. to become greater.

SEVERAL circumstances will enable us to trace the lines of their progress, viz. the gradual manner in which they were permitted to export bullion; their exports of goods and stores; the bills drawn on the Court of Directors; and the amount of their sales in Europe, down to the period when they became possessed of the Duannee. In the Company's first charter they were allowed to send yearly, £.30,000 in foreign coin or bullion, "provided £.6,000 should first be coined in the Queen's mint. This sum varied till 1616, when the advantages of trading upon a joint stock were fully perceived, and this system adopted by the Company. In the following year they were permitted to carry out foreign coin to the amount of £.100,000, and afterwards, by similar grants allowed, in case they could not make up the requisite quantity of silver, they were allowed to export £.30,000 in foreign gold. For a considerable time after this period, the quantity of bullion exported was left indefinite. Apprehensions, however, began to be felt by the Public, respecting the pernicious consequences of draining the coin in circulation from the kingdom. Hence the reason why the Company were obliged to import, within six months after the voyage, at least as much silver as they had carried out in that voyage.

By the union of the London and English Companies, the capital and the trade were greatly encreased. The trade, however, continued to be carried on chiefly by the exportation of
bullion,

bullion, of which the quantity sent, on an average of ten years, 1700 to 1710, was about £.300,000 per annum. As the trade increased, the quantity of bullion exported increased, and, on an average of ten years, 1721 to 1731, the amount was about £.550,000 per annum. In order to place the progressive state of the trade in an obvious point of view, we have only to subjoin a statement of the sums paid for bullion exported, for goods and stores exported, and for bills drawn on the Court of Directors, and the amount of sales from 1732, (when the Company's annual accounts became regular) to 1767, at which period, besides their conquests, they were in full possession of the Duannee.

	Paid for Bullion exported.	Goods and stores ex- ported.	Bills drawn on the Court of Directors.	Sale of Goods.
From 1731 to 1741, average of 10 years,	£.464,574	152,609	167,410	1,700,675
1741 to 1747, — 6 years,	567,238	189,411	230,914	1,907,105
1747 to 1757, — 10 years,	767,057	267,730	164,482	2,143,459
1757 to 1767, — 10 years,	121,287	428,707	432,891	2,315,573

THE largest quantity of bullion, exported in one year, was in 1753, when the amount of £.667,923 was sent to India, and £.276,333 to China, making £.944,256. The largest average is from 1747 to 1757, being £.767,057, of which £.564,423 was sent to India, and £.202,634 to China. The Company's conquests in India, at this juncture, rendered it unnecessary to continue the export of bullion thither, and accordingly of the average amount £.121,287 from 1757 to 1767, £.97,074 was sent to China, and the remainder to Bencoolen, St. Helena, &c.

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Change produced in it by the war of 1756.

THE sources of the trade to the East-Indies, notwithstanding the revolutions on the peninsula of India, continued to be nearly the same, till the ambitious schemes of France, on the Coromandel Coast, forced the East-India Company to take up arms. With the assistance of His Majesty's fleets and armies, they became (under their charter) delegated sovereigns of rich provinces. This event, of course, gave a new character to the trade. The object in the India branch of it was now, not only to continue the commerce, but to bring the surplus revenues of the conquered or acquired provinces to Britain. The ancient object in the China branch of it remained, as well as the competition in that market with the other European nations. It was now, however, expected that the superiority of the English would be fully established, in consequence of the command of Indian produce and bullion, to be exported to China. It was expected also, that the exports of British produce would be considerably augmented, both by diffusing them over the provinces, which had fallen to us, and among the nations of India, to which our political influence extended. How far these expectations were fulfilled, will appear from the account of the China trade, and from comparing the following statement with that already given.

	Paid for Bullion exported.	Goods and stores ex- ported.	Bills drawn on the Court of Directors.	Sale of Goods.
1662 to 1777, average of 10 years,	£. 110,042	489,081	458,769	3,313,356
1777 to 1784, 7 years,	5,653	500,089	461,425	3,134,964
1784 to 1792, 5 years,	617,930	635,145	1,551,985	4,572,466
1790 to 1793, 3 years,	466,893	935,776	668,366,	5,103,094

THOUGH

THOUGH these averages shew the state of the trade in general, and the variations it has undergone in being brought to its present extent, it is necessary to consider the two branches of the trade to China and India separately, in order to point out the circumstances which have affected each. It appears, that immediately after the acquisition of the territories, the Company's sales rapidly increased, that during the war which terminated in 1783, they decreased, and that since the passing of the Commutation Act, they have far exceeded the amount at any former period*. In considering the respective branches of the trade, we shall advert more particularly to these variations, beginning with the China trade, which has continued to be carried on upon the same principles, as it anciently was, except in the relation which it now bears to India, as a circuitous means of bringing home the surplus revenues; and then examine the India trade, both in its relation to China and to Europe.

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It now assumes two distinct aspects.

IN treating of the China trade, before and after the acquisition of the British territories in India, we shall refer to the bullion sent to China, to the exports of British manufactures, to the imports from that country, and lastly, to

1. Trade to China.

* The large amount paid for bills between 1784 and 1790, which far exceeds the proportion of the other periods, was principally occasioned by the great number of bills drawn from India about the close of the war. In the preceding statement of the sales of goods, the amount received of Government for saltpetre to 1784, is omitted: including that amount, the average, from 1767 to 1777, would be £.3,268,797, and from 1777 to 1784, £.3,049,670.

CHAP. III. the amount of the sales at home, in order to shew the state of the trade, when it was carried on upon the general principle of exporting goods and bullion, and importing China produce, either as raw materials for our manufactures, or as articles for home consumption, or for re-exportation; and also the state of it since any considerable aid has been afforded to it, from the resources of India.

Exports from Britain to China, in bullion and in goods, previous to the passing of the Commutation Act.

THE quantity of bullion exported by the Company to China, on an average of ten years, 1747 to 1757 was £.202,634 per annum, and from 1757 to 1767 was £.97,074 per annum, from 1767 to 1771 £.222,002 per annum; in 1776, the amount was £.88,574, but in other years none, until the passing of the Commutation Act.

It was not until the Company became possessed of territories in India, that their exports of British manufacture, arose to any considerable amount. On the average of five years 1762 to 1767, the goods exported by the Company to the factory at Canton, amounted to only £.65,698 per annum; from 1767 to 1777, to £.128,235 per annum; on the average of seven years, from 1777 to 1784, to £.114,178.

Exports from India to China, in bullion and in goods, previous to passing that act.

THE treasure obtained from the conquests in India, enabled the governments there to make large remittances to China, to purchase the investment for the sales at home. In the four years, 1765 to 1769, about £.246,815 per ann. was remitted in bullion, and £.47,422 in bills and goods. But the exigencies of those governments soon rendered their resources

resources inadequate to continue the supply to this extent, so that, on the average of the next sixteen years, or to the conclusion of the war in 1784, not more than £.58,151 per ann. and that chiefly in goods, was remitted on the Company's account, from India to China. The Company, however, have always relied on this resource, as one of the funds for their China investments.

ANOTHER resource for providing the China investment, has been by bills on the Court of Directors, payable at specified dates in England. These bills have in part contributed to keep up the connexion between India and China; for, they have been generally granted to individuals who traded from India to China, and paid the produce of their merchandize into the Company's treasury at Canton, at fixed rates of exchange. Previous to the passing of the Commutation Act, the money brought in this way to Canton was one of the principal supports of the foreign Companies, who, by offering higher terms than the Company, obtained large sums by this means, and were enabled to trade without any considerable capital of their own. On an average of four years 1762 to 1766, the bills drawn on the Company from China amounted to £.21,800 per annum. The large remittances from India, from 1766 to 1769, rendered it unnecessary for any bills to be drawn on the Company from China; but during the ten years following, to 1778-9 the average was £.153,125 per annum. In the six years following, that is, from 1778-9 to 1784-5 while the revenues of India were absorbed by the war, £.386,365 per annum, was obtained by bills and certificates.

Bills drawn
on the Di-
rectors from
Canton.

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Prime cost of
imports from
China to
Britain.

It appears that the prime cost of goods annually imported from China to Britain, from 1762 to 1765, amounted, on an average, to £.321,707; from 1765 to 1779, on an average, to £.501,137; from 1779 to 1785, on an average, to £.571,761.

Amount of
sales.

THE amount of the Company's sales of China goods from 1762 to 1767, on an average, was £.1,046,816; from 1767 to 1777, on an average, £.1,305,444 from 1777 to 1784, on an average, £.1,309,545.

Commercial
principle
upon which
the Commu-
tation Act
was founded.

SEVERAL events and circumstances, after the re-establishment of peace, contributed to bring forward the principle in commerce, That the profits in trade do not depend so much on the price given for any commodity, as upon the quantity of it brought to market, being such, as to throw the balance of the trade into the hands of the merchant.

Remote and
immediate
circumstances which re-
duced this
principle to
practice.

IN the first place, the Company appear to have relied on resources from India, as one of the funds for the China investment. In their Report laid before Parliament in 1784, they computed on about £.250,000 to be remitted from India to China, either directly to Canton, or indirectly through the medium of commerce with the Eastern Islands, but the exhausted state of those provinces rendered the governments in India unable, at that time, to send any such supply.

IN the next place, the expenses incurred in supporting the general war which terminated in 1783, required new and

large

large supplies to bring the credit of the nation to its present prosperity. Parliament, to lessen this burden, were led to think of every possible means, by which the Public might realize the existing home revenues. This was the true and only expedient by which Parliament could bring the new taxes to be laid on the Public, within the narrowest possible bounds. Under this impression, in December 1783, a committee was appointed to enquire into the illicit means practised in defrauding the revenue. They found, that in 1767, 2687 men were required for His Majesty's ships and vessels, employed in restraining the smugglers upon the coasts of Britain and Ireland; to support whom, there was expended annually, £.139,724; that in 1783, not less than 4235 men were employed in the same service, to support whom, there was required £.220,220. One of the principal articles smuggled into Britain, was tea, upon the legal importation of which the duties of customs and excise amounted, on the lowest kinds, to more than cent. per cent. on the prime cost; and, upon other kinds of tea, on an average, to 75 per cent.

It appeared from statements of the different kinds of tea, sold by the Company and in private trade, on an average of ten years, to July 1784, that lb. 4,889,392 were sold for home consumption; and lb. 1,468,752 for re-exportation, making in the whole lb. 6,358,144* of all kinds of tea sold

* Of this were sold on the Company's account,	-	-	lb. 5,927,388
Private trade of the Company's officers,	-	-	135,402
Prize tea, during the war, per estimate,	-	-	295,354

lb. 6,358,144

per

CHAP. III.

per ann. In an estimate referred to by the Commissioners of excise, it was stated, that the quantity brought to market by illicit importation, was about seven millions of pounds; and by an account from the East-India house it appeared, that the amount might be estimated at lb. 7,500,000. The quantity besides of factitious tea manufactured from sloe, liquorice, and ash tree leaves, in different parts of England, was supposed to have amounted to more than lb. 4,000,000 annually. These different statements tended to prove, that the annual consumption of tea was upwards of sixteen millions of pounds.

It was, therefore, a natural inference, that if the duties could be recovered, upon the whole quantity consumed in Britain and Ireland, the revenue would not only be increased, but one of the most profitable articles in the cargo of a smuggler, from the smallness of its size, and the facility with which it could be concealed, would be cut off.

Commutati-
on Act ex-
plained.

THESE data were sufficient to induce Parliament to commute the tax, from the commodity to the house of the supposed consumer; taking care, that this tax should not reach those orders of people, who, from their poverty, might be supposed not to make any demands upon an article of luxury. The number of exempted cottages has been computed at 600,000; the number of houses which had ten windows or less, 520,025; each of which, it was computed, might consume from two to six pound weight of inferior tea; the number of houses which had more than

ten windows, and less than twenty-five, was 160,051; the number of houses which had twenty-five windows and upwards, 31,835, of which those having fifty windows and upwards, were about 5385*; and though it was impossible to give a probable estimate of what might be consumed in these two classes of houses, still, from the gross amount of the teas sold for home consumption, whether smuggled or manufactured in Britain, the inferences were obvious, that the sales of the East-India Company would be increased, if the duties should be lowered in such a degree as to enable them to undersell the smuggler; that the commodity, itself, would be of a better kind; that the people would not pay so much by a tax on their windows, as they had paid to the smuggler; and that a great body of men, employed in the smuggling service, would be recovered and become useful subjects to their country.

THE Commutation Act according passed, and the event almost immediately justified the principle upon which it proceeded, as will appear by a comparison of the following statements of the China trade, with the statement which we have exhibited of it in the preceding period.

Effects of it
when passed
into a law.

THE bullion exported in the first year, after passing the Commutation Act, amounted to £.704,253; and on the average of the seven years, from 1785, the amount was £.512,491 per annum; in 1790, no bullion was exported to

—On the ex-
ports from
Britain to
China.

* The principle of the Commutation Act established by facts, by F. Baring, Esq.

CHAP. III. China, and it is not expected that any will be required for the present season. Since passing the Commutation Act, in 1784, the quantity of British manufactures exported to China, has annually increased, and on the average of the last four years, has amounted to £.496,713; in the last year, the exports amounted to £.574,001, and in the present season are estimated at £.626,100.

THE remittances made either directly from India to China, or through the medium of commerce with the eastern islands, appear to have been as follows: on the average of the four years, from 1786 to 1789-90, the amount of remittances was £.195,995 annually; and in 1790-91, £.276,863. This method of bringing home the surplus revenues of India, has been of considerable assistance to its commerce; for a great part of the sums so supplied, is advanced to the country Merchants in India, who engage to repay the amount into the Company's treasury at Canton; and a part is sent in cotton, &c. in the Company's ships, from India to China.

—On the amount of bills from China.

THE bills and certificates from China, on the Court of Directors, on the average of the seven years, 1785 to 1792, have amounted to £.603,659. per annum.

—On the prime cost of imports.

THE prime cost of goods, annually, imported from China to Britain, by the Company, on an average of seven years, from 1785 to 1792, has amounted to £.1,611,692.

THE sales of China goods, on an average of nine years, from 1784 to 1793, have amounted to £.2,576,891 per ann. Within twelve months after the act took place, the Company sold of tea, lb. 16,152,670, or, including private trade tea, lb. 16,307,433, which, if compared with the quantity formerly sold, annually, viz. lb. 6,358,144, there remained to be supplied by the smuggler and manufacturer, from liquorice and ash leaves, nearly ten millions of pounds.

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—On the amount of sales at home.

THE quantity sold from that period to the present, including private trade, has been, on an average, lb. 16,455,376 per annum*, which, compared with the former sale of lb. 6,358,144, gives an encrease of lb. 10,097,232 per ann. and nearly agrees with the computation previously made of the quantity of smuggled and manufactured teas.

* From September 1784, to September 1785,	16,307,433
1785, to — 1786,	15,093,952
1786, to — 1787,	16,692,426
1787, to — 1788,	15,959,339
1788, to — 1789,	16,003,784
1789, to — 1790,	15,856,160
1790, to — 1791,	16,989,748
1791, to — 1792,	17,294,201
1792, to March 1793,	9,673,657
Years, 8 $\frac{1}{2}$	lb. 139,870,700
Average per annum,	lb. 16,455,376

Of this, it appears, that about lb. 2,000,000 per annum were for exportation.

CHAP. III.

The large demand which immediately took place at the Company's sales, after passing this act, exhausted their stock in warehouse: As it was impossible to import a sufficient quantity, in time, from China, the Company were obliged to have recourse to foreign Companies, and, in the next and following years, purchased lb. 16,756,537 of tea on the Continent. With this temporary aid, they were enabled to keep up their sales until the arrival of the large importation from China, encreased their stock to the full amount required. The quantity imported from September 1784 to March 1793, has amounted to lb. 134,305,747, this, together with what was in the warehouses in September 1784, and imported from the Continent, has supplied the sales of lb. 139,870,700, as already stated, besides the teas which have been lost, damaged, and destroyed, and there remains in warehouse a stock of lb. 22,310,535, or more than one year's consumption.

THE sums paid by the purchasers to the Company for the lb. 139,870,700 of teas, amounted to £.21,339,736, and the duty, payable to Government, to £.2,773,621, making the total of cost and duty £.24,113,357. According to the prices at which teas were sold at the Company's sales, including the duties before the Commutation Act passed, an equal quantity of teas, of the same qualities, would have cost the buyers £.46,987,101. The difference is £.22,873,744, or £.2,690,794 per annum, which the consumers must have paid, if they had used the same quantities of teas under the old regulations of this trade, or have continued the illicit practice of smuggling, and hence have thrown a large share
of

of the wealth and navigation of this country into the hands of foreign Companies. The encrease our navigation has received from this measure, appears from the tonnage of ships arrived annually from China, which, on an average of eight years, 1776 to 1784, amounted only to 6,059 tons per annum, but, on the average of seven years to 1793, amounted to 18,153 tons, or about three times the tonnage formerly employed in this trade.

THE great difficulty which the East-India Company experienced in establishing themselves in the China trade, arose from the almost exclusive privileges which the Portuguese and Dutch had acquired in that market. This difficulty, after long and reiterated efforts, was at last surmounted by the punctuality of the Company's payments, by their honor and good faith as merchants, the quantities of goods which, from the suppression of smuggling, the supra-cargoes at Canton were enabled to purchase, and by an uniform attention to the prejudices and habits of that singular people.

Effect of the
Commuta-
tion Act on
the foreign
Companies.

FOREIGNERS are computed to have imported from China, on an average of ten years, from 1772 to 1782, lb. 13,050,948. Of this quantity, seven and a half millions were, on an average, supposed to have been annually smuggled into Britain and its dependencies. In the three following years to 1785, the quantity imported by foreigners from China, is stated to have amounted to lb. 17,074,000, the greatest part of which was smuggled into this country. This illegal traffic was carried on by money raised in

CHAP. III.

Great Britain, from which it must have drawn upwards of one million sterling per annum to the Continent. By this means the balance of trade, as well as a considerable share of the profit, and the greatest share of the navigation, were thrown into the hands of foreigners. Since the passing of the Commutation Act, the teas imported by foreigners into Europe, have annually decreased, and in the last season, amounted only to about lb. 4,600,000. The quantity imported from China for America, was somewhat less than two millions of pounds*.

It

* Though the arguments against the Commutation Act had an influence upon the public opinion, before experience had proved the utility of the measure, the knowledge of them can only be useful at present in guarding us against the schemes which speculators are, at all times, ready to state in opposition to established practice.

First. It was said, that tea being an article of luxury, injurious to the health of the labouring part of the people, the plan of encreasing the sale of it, was a public evil. In a commercial nation, it was answered, that whatever is in common use, is a necessary of life: that tea was consumed by the very lowest orders of mankind; that they purchased it chiefly from smugglers, or from the illicit manufacturer, who had adulterated it by mixtures of other herbs; and that the injury to health was greater by the old than by the new trade. That the money besides which purchased the smuggled tea, was drawn from the circulation of Britain, sent to the Continent, to go out as foreign bullion to the China market, with the object of purchasing new cargoes, to be brought to Europe, and smuggled into the British Islands; that these could not be a stronger illustration of this fact, than the debasement of the silver coin of Britain. That the crown pieces of money were carefully collected and carried abroad, because the smuggler received 5s. 8d. for them as bullion; for the half-crown, about 2s. 9d. and about 1s. 1d. $\frac{1}{2}$ for the new shilling. That the cargoes purchased with this bullion, were professedly to the injury of the revenue, and, from the temptations to perjury, of the morals of the people. That the cargo of a smuggling vessel was made up of tea and foreign spirits: the tea was the least bulky, the most valuable, and the most easily smuggled part of it; for when landed,

it

It appears, that the amount of the revenues of customs and excise paid upon the tea sold by the Company, for five years, previous to the passing of the Commutation Act (drawbacks deducted), was £.720,674, and that the reve-

CHAP. III.

And on the
home reve-
nue.

it was difficult to seize it in quantities, because it could be conveyed to places of concealment in bags. That the smuggler also proceeded upon the calculation, that if of his cargo the tea escaped the revenue officer, the profits of the voyage were secured; and if the spirits could be safely landed, that the adventure would yield him cent. per cent. It was therefore asked, has the health of the people suffered, or have the public burdens been encreased, by rendering the tea trade a fair one, since the same quantity of wholesome tea is now consumed in Britain and its dependencies, which was formerly done of smuggled or manufactured teas?

Second. It has been said, that the tax upon windows has been burthensome, because it has obliged the inhabitants, in general, to pay for a luxury which formerly it was in their choice, to use or not, and that the whole scheme was merely to support the East-India Company, from whom the Public was to receive no return. Mr. Baring has established the following facts: That the lower orders of the people pay no part of this tax, and yet can purchase the tea from the licensed retailer at a less price than they formerly did from the smuggler: that the difference of price upon the quantity of tea consumed in the smallest houses which pay the tax, is more than sufficient to defray it, and that the quantity of tea consumed in houses which have more than ten windows, by servants, &c. to whom it is universally allowed, is more than sufficient to discharge the amount of the additional tax. That the scheme was intended to support the East-India Company's credit is certain, and was avowed. It was impossible for them to carry on the China trade (and this was known to be a very valuable branch of their privilege), while the duty on tea was so high as to induce the smuggler or manufacturer to bring near lb. 10,000,000. into the shops of the retailers. The quantity sold by the Company, at an average, before the passing of the Commutation Act, was about lb. 6,000,000, and this was all that did pay duty. The average quantity sold by the Company since the passing of the Commutation Act, has been about lb. 16,000,000, so that the Public have been benefited by duties having been paid on about lb. 10,000,000 of tea, by having acquired a decided superiority in the Chinese market, and by a proportional encrease of their shipping, exports, &c.

CHAP. III. nues from tea, and the commutation tax on windows paid since the passing of this act, have been about £.800,000 per annum.

Efforts of the Company to extend the circuit of their trade with China.

NOR have the efforts of the Company been wanting to extend the circle of their trade in its connexion with China. At the expense of about £.100,000, they have made an establishment on the island of Pinang, with the object of its becoming a depôt for such goods, as the islands could furnish for the China market; and, though it is difficult, at present, to pronounce on what the value may be of the attempts to create a trade from Nootka Sound to China, yet from the trials which have been made, there is reason to expect that it may become a useful branch of the commerce.

Result of the whole of these facts and events.

SUCH are the facts with respect to the China trade, simply, in its sources; in the means by which it is carried on; in the balance of trade which has been thrown into the hands of Great Britain; in the encrease of our navigation which it has produced, illustrated by the events which have brought it to its present magnitude and prosperity. The inferences, so far as regards the China trade, therefore are, that the stock of the private merchant cannot be supposed equal to it; for, however profitable a single voyage might be to himself, in his competition, either with the East-India Company (who still would remain a body corporate, entitled to trade on their joint stock) or with the other European Companies, trading on their joint stocks, his perseverance might bring on his bankruptcy or his ruin.

That

That the credit of the Company, with the Chinese, has been established and known to that people for upwards of a century; and that since the passing of the Commutation Act, whole foreign Companies have failed, while we have obtained a preference in the Chinese market. The Company are instructed in the manners of the mercantile Chinese, and possessed of their confidence, and therefore the best qualified to carry on the trade either with profit, or with safety to the British subjects. A single act of imprudence in a private adventurer might not only expose himself to ruin, but bring that ruin upon all who spoke the same language with him†.

THE principal facts thus to be judged of by the Public, and the Legislature, in forming a system for the China trade, and the events which have brought it to its present magnitude, all tend to prove the necessity of continuing it with the Company. To venture upon speculations in the mode of conducting this trade might deprive the Public of the revenue arising from this commerce, throw the balance of it into the hands of other European Companies, and withdraw from Great Britain an extensive and useful branch of its navigation.

† The wadding of a gun fired, upon some festival, from an India ship, happened to kill a Chinese in the river of Canton, a demand was made for the innocent gunner to be delivered up, with threat that in case either of delay or non-compliance, not only the servants of the Company at their factories, but all who spoke the same language should be punished. The Captain offered every compensation, and even to punish the man himself, but was obliged ultimately to comply, and to deliver him over to whatever death the Chinese thought proper to inflict.

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II. India
trade,

THE second aspect which the trade to the East-Indies presents, is *that* to the peninsula of *India*, in which Great Britain had originally seats of trade only ; but where, within these last thirty years, it has acquired territories, yielding revenues, the surplus of which has been brought home through the medium of its commerce.

THE East-India Company, on their first institution, sent ships to the different coasts of the peninsula of India. By means of bribes and of tributes, they obtained from the Moguls, Soubahdars, and native independent Princes and States, permission to establish factories or seats of trade ; in which they placed guards to protect their property, and the lives of their civil servants. In progress of time, they got possession of Bombay, the harbour of which, as well as its natural situation, on the west coast of India, enabled them to establish a marine sufficient to balance the naval force of the Moguls and Mahrattahs then contending for empire in that quarter of India. Though the trade to India, even at this period, was, in many instances, *direct* from and to Britain ; it was, in others, *circuitous* to the Islands, to China, and to Europe.

WITH the object of bringing forward the facts and events upon which a plan for the future regulation of our India trade can be founded, we shall *first* consider the subject in a commercial light only ; *secondly*, in the connexion which has been established between that trade and the revenue ; *thirdly*, in the relation which the debt that the Company

5

have

have contracted for the defence of those provinces, bears to both of these sources; and *lastly*, in a collective view, from the sums paid by the Company to the Public on the renewal of their charter, from the amount of the duties and customs received by the Public, and of the dividends received by the Proprietors. CHAP. III.

PREVIOUS to the acquisition of territories in India, the principal part of the trade of the Company was carried on by the exportation of bullion, and by bills drawn on the Court of Directors, as the exports in British manufactures formed but a small part of the resources, by which the investments in India and China were procured. Bullion sent to India since the acquisition of the territories.

THE treasure obtained during the war, in which our provinces were acquired, lessened the exportation of bullion from Europe to India; at the same time, by extending the circuit of our commerce in India, the demands for European goods were increased. The fortunes acquired by individuals, in that country, which they remitted to Britain, became also a resource for providing the investment, by enabling the Governments abroad to draw bills to a larger amount on the Court of Directors.

THE termination of this war left the Company in possession of large and fertile provinces; their trade rapidly increased, the additional amount requisite for the purchase of the enlarged investments, was supplied by the revenues realized from those territories, by bills on the Court of Di-

CHAP. III.

rectors, or by the produce of the greater quantity of goods received from Europe; and, besides these, considerable supplies were sent to China, either directly or circuitously through the commerce of the Eastern Islands, for the purchase of the investments at Canton. Under this system, the trade to India has been conducted for upwards of thirty years; and although it may be considered as a separate branch from the trade to China, yet both have formed but one great concern, connected in some respects, by open and direct channels of reciprocal support; in others, by those indirect and almost imperceptible streams by which the trade of distant nations passes, in a circuitous commerce, through various intermediate countries.

ON the average of the ten years, from 1747 to 1757, £.564,423, in bullion, was exported to India; but after the year 1757, bullion was no longer exported thither, except to the amount of about £.20,000 per annum, to Bencoolen, and Saint Helena, &c. From this period also, the export of bullion to China very considerably decreased, and it was only sent out occasionally after the supplies from India failed.* This circumstance is explained in almost every letter sent by the Directors to their servants

* From 1760 to 1764, only £.53,775 per annum, was exported both to India and China. In 1764 and 1765 £.300,967 per annum was exported to China; in the two following years only £.473 per ann. in the next four years £.222,002. From that period to the passing of the Commutation Act, none was exported to China, except in 1776, when the amount was £88,574. In the 28 years from 1762 to 1790, £.173,260 of bullion, on an average, was exported to Bencoolen, &c.

at Madras and Bengal, which contained instructions to them to collect as much bullion as they possibly could, to be ready for the ships which should come out for Madras and China; and by the answers to these letters, specifying the quantity sent by the different vessels. The large drain of bullion from India (particularly from the Bengal provinces) in consequence of this mercantile, but impolitic measure, had the unhappy effect of producing a decline in Indian arts and manufactures. This evil has, perhaps, been improperly referred to the oppressions of the Company's governments.

THE exports of British produce to India were greatly en- Exports.
 creased by the acquisition of the territories. On the average of five years 1762 to 1767, the amount of goods and stores exported to India was £.386,310, which was £.118,580 per annum more than had been exported in the ten years, 1747 to 1757, both to India and China. Although during this war, the risks which the Company's ships ran of being captured, would tend to lessen the profits on the goods exported, and of course, to have reduced the quantity; yet the increased demand for naval and military stores for the defence of those provinces and their coasts, counterbalanced any decrease arising from the causes; and on the whole, the total value of exports was greater than it had been before the war commenced.

UPON the restoration of peace, those circumstances which had kept up the export trade during the war, had a necessary tendency to increase it, if not to carry it beyond that degree

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in which the profits from it would give the expected return. The Company's servants, civil and military, in the first place, required large supplies of European produce; next the natives, restored to their former tranquillity and industry, took proportions of them, both for use and for sale; and lastly, an opportunity was given, and schemes consequently formed, to strike out new branches of trade in the countries of those nations through which our armies had passed, and given, perhaps, for the first time, a relish for European productions. Facts have justified these conjectures; British manufactures were not only carried out in large proportions on the Company's ships, and in those of foreign Companies, but immense exports were made by private British merchants under the Imperial flag. The market of course was overstocked; British produce sold below prime cost; and the Directors began to complain, without adverting to the true cause of the decline of their export trade. That decline will appear from the following averages, compared with what we have already stated. From 1767 to 1777, the value of goods and stores exported to India, was, per annum, £.371,840. From 1777 to 1784, £.364,746, and from 1784 to 1790; £.357,764. If, however, the exports, by the Company, to India from these causes, at this latter period, declined, the export trade to China was considerably increased, and by the exertions which have been lately made, the export trade to India has been greatly improved, so that on the three years average, 1790 to 1792 inclusive, the value of export goods was £.415,264 per annum, which exceeds the amount of any former average.

IN

IN order to discover the true state of the Company's export trade, and whether any further measures could be adopted for enlarging it, a report was made, in 1792, by a Select Committee of the Court of Directors, on the quantity and value in England of the several articles exported by the Company to India, and the profit or loss on the sale of those articles in that country. It appears, that in six years to 1789-90, they sold woollens to the amount of £.576,051, the prime cost of which, in England, was £.520,120; and metals in the same period to the amount of £.1,010,011, the prime cost of which was £.760,169; the charges on which, of freight, interest on the prime cost, &c. appear to have absorbed the profits, and a loss on the whole is stated, at £.4,652 per annum. The exports in private trade, are estimated at £.126,680 per annum, besides naval and military stores, and these appear to have been profitable articles, a circumstance which has given rise to the new regulations laid down, for the private trade allowed to the Commanders and Officers of the Company's ships. In the sequel we shall advert more fully to this subject; it is sufficient, at present to observe, that the market is returning to its proper level, and consequently that the demands for British exports must become more certain, and yield a moderate profit.

THE prime cost of goods imported from India, on the Company's account, from 1761 to 1766, when they became possessed of the Duanee, amounted on an average to £.549,712 per annum. On the average of the next five years

Imports,

CHAP. III.

years to 1771, £.941,187 per annum; and on the average of the following eight years to 1779, £.1,243,178. At this period the importation of goods from India was considerably lessened by the war, in which Britain was then engaged with the different powers of Europe; and on the average of the next three years, the prime cost of cargoes shipped from India, was only £.803,356 per annum. This diminution, together with the losses from the capture of ships, &c. occasioned the warehouses at home to be exhausted of India goods, and in March 1784, only some saltpetre and drugs, to the amount of £.94,085, remained. In 1782-3, goods to the amount of £.1,174,139 were exported from India for England. In 1783-4, a large amount was raised by loans in India, for bills on the Court of Directors, for the purpose of procuring an investment to supply the exhausted warehouses at home, and goods to the amount of £.2,098,609 were shipped for England in that year. The extraordinary quantity imported in 1783-4, (consisting chiefly of goods from Bengal) occasioned a decrease in the subsequent years, but taking an average, for seven years, from 1782-3 to 1788-9, the cost of the goods annually shipped for Europe, amounted to £.1,222,832. On the average of the last three years to 1791, the cost of India goods imported, was £.1,170,225*.

* In all these statements the current rupee is valued at 2s. 3d. the Bombay rupee at 2s. 6d. the pagoda at 8s. and dollar 5s. According to the present rate of exchange, this valuation, with respect to the rupees, is $\frac{1}{3}$ th too much; but as all the accounts were formerly made up at these rates, it seemed proper to continue it here, in order that the different periods might be compared.

CHAP. III.

Connection
of the India
trade with
the revenues.

2. WE have, in the second place, to trace the connexion which has been established between the trade and the revenue. The defence of the seats of trade first obliged the Company to employ their armies; the victories of these armies gave to Britain rich provinces; a part of the revenues were to be applied to keep up a force for defending the acquisition; and the surplus was to be realized in Britain through the trade; the right of the Public to the territories was admitted, and explained by Parliament, in its having accepted quit-rents for one or more years, and by the Company becoming vested with a delegated authority, and acting under a lease for a specified time. The trade then was considered as necessary for rendering the surplus revenues of utility to the Public. Such are the facts and events which explain the connexion between the trade and the revenue.

THE revenue, from our first conquests to the acquisition of the Duanec and the Northern Circars, amounted annually to about £.146,384*; the revenue from 1766-7,

Progressive
amount of
the revenues.

* The districts which the Company possessed in India, before 1757, are stated to have produced the following revenues:

Customs, &c. at Bengal	—	—	£.23,588 per annum
Madras	—	—	64,144
Bombay	—	—	56,507
Bencoolen	—	—	2,145
			<hr/>
			£.146,384
			<hr/>

CHAP. III. at which the Public may date the full possession of the territories, to 1768-9, amounted, on an average, to about £.4,100,000 per annum. The subsidies afterwards agreed to be paid by country powers for military aid, &c. and the bringing the salt and opium revenues under the direction of the Company considerably encreased the revenues and expenses. On an average of three years, 1776-7 to 1778-9, the revenues amounted to £.5,304,352 per annum; at the peace of 1784, on three years average, to 1786-7, £.6,245,605.; on an average of the three years 1787-8 to 1789-90, £.6,901,310. The civil and military expenses, at the several Presidencies, were nearly as follows: Before the acquisition of the Duannee and the Northern Circars, from 1750 to 1755, they amounted to £.305,558 per annum; but in this, it must be observed, that part of the expenses of the war, of which the acquisition was the issue, is included. The civil and military expenses, on the three years average, 1766-7 to 1768-9, amounted to £.3,463,722 per annum; on an average, 1776-7 to 1778-9, to £.4,341,725; from 1784-5 to 1786-7, £.5,920,269; on the average of three years 1787-8 to 1789-90, £.5,368,788 per annum*.

ALTHOUGH the revenues and charges, at different times, are here stated, by way of illustration, the articles which are included in the latter periods, and not in the former,

* The interest paid on the bond or other debts in India, is not included in these statements. The amount of civil and military charges here stated, is the total paid in each year, under those heads, no accounts having been made of the expenses annually incurred.

prevent any comparison being drawn. The sales of salt, opium, &c. and the advances to the manufacturers, &c. form now a very considerable article of receipt and expenditure, which formerly did not belong to the Company. CHAP. III.

It is immaterial, in illustrating the principle upon which the trade rests, to enter into a minute detail of the particular applications of the Indian revenues at any one period. It will be sufficient to advert to the original purpose to which the surplus was intended to be applied, viz. *the purchase of investments for the trade*, and then to bring forward the circumstances which, at times, have prevented this appropriation, and brought the trade, in its turn, to contribute to the deficiencies of the revenue.

Objects to which the surplus was originally to be applied.

THE principal part of the surplus has, upon a general view of the revenues and expenses of the Company's territories, arisen from Bengal. It is, indeed, true, that Madras, before the war ending in 1784, yielded in some years from £.50,000 to £.200,000 per annum; but since that period, neither the revenues of it, nor of Bombay, nor of Ben-
 . coolen have, at any time, been equal to the charges of these settlements. Hence, in one view, these settlements have been a charge upon Bengal; but, in another, as commercial depôts, they have been necessary and profitable: as military stations they afford a check to the enterprizes of the powers on the eastern and western sides of India, and thus

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become

CHAP. III. become equally a safeguard to Bengal as the forces actually in that Presidency. The conclusion, therefore is, that the revenues from India could only be realized through the trade, and that the whole of the Company's concerns is made up of parts mutually supporting each other, and incapable of being reduced to the mercantile idea of a distinct profit and loss from each transaction.

Sources of the debt of the Company, as contracted upon the whole of the revenue and trade.

3. WE have, in the third place, to examine the relation which the debt of the Company bears both to the revenue and to the trade. The wars from 1747 to 1765 (for we can scarcely consider the temporary convention with France in 1754-5, as an interruption to our contests in India) obliged the Company to incur an annual expense, greatly beyond what the revenues, during the war, could be supposed to yield. Considerable sums were also laid out on fortifications, &c. (what the Company have termed their dead stock) in order to put their acquisitions in a state of defence, either against the attacks of the native states, or of their European enemies. These expenses, of necessity, accumulated during the war which ended in 1784, in which the Company had to defend itself, not only against a general combination of the native powers, but against the attacks of the European enemies of Great Britain, both in India and on their outward and homeward bound ships.

Progressive amounts of the debts.

THE whole of these circumstances, taken together, afford us a progressive view of the several sources of the debts, which
the

the East-India Company have been obliged to contract. The CHAP. III.
 amount of debts, including the capital stock of £.3,200,000, and annuities of £.2,992,440, stood at home, in June 1764, at £.11,294,640; and in India, the bond debt was £.220,235, making together £.11,514,875. The obtaining possession of the Duannee, &c. occasioned some encrease of debt, which was afterwards paid off; as also was the debt contracted during the war with Hyder Ally, in 1769 and 1770, so that previous to the war which ended in 1784, the debts stood as follows: at home, in January 1779, £.10,726,337, and in India, at the close of the year 1777, £.556,524, making together £.11,282,861.

WHEN the accounts were made up and settled in 1786-7, after the conclusion of the war, the debts at home and abroad, including the capital stock, then of £.4,000,000, amounted to £.25,908,334;* or, if the £.440,000 raised in addition to the nominal capital of £.800,000, were to be considered as borrowed to pay off the debts, the total would be £.26,340,000.

IN 1790-91, the debts amounted to £.23,198,721, including the capital stock of £.5,000,000. This sum, deducted from the amount of £.25,908,334, as before stated, would

* Debts at 31st January 1780	£.15,443,349	—	1st March 1791,	£.13,978,436
In India, 30th April 1780,	9,954,144	—	30th April 1790,	7,029,253
China, 28th February 1786,	510,841	—	14th Feb. 1790,	1,696
			Transferred debt from India	2,189,336

£.25,908,334

£.23,198,721

T t 2

make

CHAP. III. make a reduction of £.2,709,613, besides which, there had been paid in this period £200,000, of a debt owing previous to 1787, for His Majesty's forces serving in India. Towards these payments, £.740,000 was raised by the subscription of 174 per cent. to the new capital of one million, allowing for which, the actual diminution of the debt is upwards of two millions.

THE war in which the Company have lately been engaged in India, has undoubtedly encreased the amount of their debts; but as the accounts for making up a state of their affairs, in this respect, at the termination of the war, have not yet been received, it is impossible to ascertain, with precision, what that addition may be.

It has been already stated, that the revenues contribute to the whole trade, and that the trade is now necessarily connected with them. The debt, therefore, has been contracted in protecting the one, and in acquiring and defending the other.

Result. FROM the state of the Company's affairs at the conclusion of the late war, compared with their present situation, it appears, " That their capital stock, paying a dividend of £.8 per " cent. sold for 120 per cent.; that their bonds, then bear- " ing £.5 per cent. interest, were negotiated at £.4 discount; " that their bonds and certificates at Bengal and Madras, " bore from 18 to 40 per cent. discount, at Bombay 50 per " cent.; and that orders on the treasury there sold for 65 " per

“ per cent. discount.” In a little more than four years after the peace, their debts were reduced upwards of two millions, and about as much more was employed in extending their trade. “ Their capital stock fold for 174 per cent. and has “ since been upwards of £.200; they have negotiated their “ bonds, reduced from 5 to 4 per cent. interest, at £.5 17s. “ premium; their paper at Bengal, in 1789, bore a pre- “ mium, and their certificates in that settlement, when “ the late war, in India, broke out, were beginning to be “ negotiated at half the legal interest of the country*.” The amelioration in the state of the Company’s affairs, has arisen from the improvements which have been made both in the financial government abroad, and in the management and extension of the trade; and it goes to prove, that the debts of the Company ought to be considered as a burden both upon the revenues and the trade. Indeed the plans which the Company have laid down, to liquidate their debts, and the measures which government have pursued for the same end, establish this inference.

THOUGH it is impossible to question these facts, several circumstances may occur to induce those who are to examine Indian affairs, to form different opinions respecting them; and, on the present subject, in particular, it has been argued with discrimination, that the *revenues* are indebted to the *trade*, or, in other words, that the trade has contributed to the defence of the provinces, consequently, that the

Question, whether the trade has a claim on the revenues.

* General View of the Affairs of the East-India Company, by G. Anderson, A. M.

CHAP. III. Company, in any settlement, with Government, have a claim to the amount.

MR. Nathaniel Smith (late Chairman of the Court of Directors), has furnished the Public with very interesting statements, to prove, that the revenue is debtor to the trade to a large amount, and that the Public could have no title whatever, in the first place, to share in the profits of the trade, further than it contributed, through the medium of duties, to the home revenue; and, in the next place, that the Company were entitled to a reimbursement of every expense which had been incurred on their trading property, in the acquisition and protection of the Indian provinces. These propositions he illustrates, by shewing, that as no part of the Indian revenues can be realized in England, but through the investments from India and trade from China, the expenses, both at home and abroad, which the Company's trade has paid to protect the provinces, ought to be reimbursed to them, before the Public can participate in the revenues.

IN support of these opinions, he states, that during the fifteen years war, from 1750 to 1765, and from that period to 1780, the revenues from the provinces in India, stood debtor to the trade £ 3,616,215. By a similar account, it appears, that this debt was encreased on the 1st of March 1790, to nearly £.5,000,000. If any measures, tending to separate the trade from the revenues, should be proposed or adopted, the Proprietors would consider themselves as
entitled

entitled to be repaid this amount, as well as other sums which, to a very considerable amount, the Company have paid for debts transferred from India and towards defraying the expences of the late war. Besides these sums, it would be expected that the debts which have been incurred for the defence of the territories in India, should be charged against the revenues.

CLAIMS of this magnitude would require the most minute investigation of the various particulars of which they are composed, and of the reciprocal advantages which the trade has derived from the Company being possessed of the territories to which they traded, and the territories from the trade. It would then remain for the equity of the Legislature to decide upon those claims, and on the means of reimbursing the Proprietors for the sums they have advanced, and enabling them to discharge the debts they have incurred, at the risk of their capital, in supporting and defending the British territories in India.

IN the actual state of the trade and of the revenues, however, all reasonings on the subject seem unnecessary, farther than to fix our attention on the fact, that these claims of the Proprietors, are an additional reason for continuing the present union between the trade and the revenues, and for granting the Company such terms as shall enable them to discharge the debts which they have contracted in defence of the Indian provinces and of their trade, and to realize the value of their stock.

HAVING

CHAP. III.

Collective
view of the
advantages of
the East-India
trade to
the Proprietors
and to
the Public.

HAVING thus given a general statement of the sources and extent of the trade of the East-India Company to China, and to India, on the averages of several periods, which appeared sufficient to illustrate the progress of the trade to each of those countries, and the events which have brought it to its present state; we have next to examine the benefits which the Public have derived from the Company's trade to the East-Indies, and from the revenues of the territories in India. As the sums which the Company have lent or paid to Government have been for the whole of their privileges, and as the dividends on their capital stock are made from the whole of their trade, we shall consider this part of the subject in a collective point of view, stating the sums which they have paid on the renewal of the charters, for their exclusive privileges, the amount received by the Public, in duties and customs, on their trade in general, the dividends received by the Proprietors, and the amount paid by the Company, under the general head of charges of freight and of merchandize, to the persons employed in the ordinary course of the trade.

—in the sums
paid on the
renewal of
their exclusive
charter.

THE Company, as has been already stated, have lent to the Public, at different periods, from 1698, £.4,200,000 at different rates of interest; but which now bears only 3 per cent. And they have paid to the Public, as a price for their exclusive privilege of trade, or, as a species of quit-rent, for holding the territories in India, £.2,769,399.*

THE

* On the renewal of their charter, in 1698, the Company lent £.2,000,000 to the Public, at 8 per cent. In 1707, £.1,200,000 at 5 per cent. and agreed that the interest

—in the amount of home duties and customs from the East-India trade.

THE sums which the State has received from the duties and customs on the East-India trade, have of course varied according as the extent of that trade has varied, and as higher or lower duties have been laid upon the several articles of which it has been composed. The amount of the customs and duties on goods from India and China, including the excise on teas, &c. as near as can be estimated, was, on the average,

From 1750 to 1757,	£. 908,642 per annum.
1757 to 1767,	£. 1,067,604
1767 to 1777,	£. 1,356,841
1777 to 1784,	£. 1,311,409

interest on the former loan should be reduced to 5 per cent. In 1712, the charter was renewed without any new terms being required. In 1729 the renewal was for thirty-three years, and a right granted to remain a corporate body for ever, on paying to the Public — — — — £. 200,000

And agreeing that the interest on their loan should be reduced to 4 per cent.

In 1744 the charter was renewed on lending the Public £. 1,000,000 at 3 per cent.

In 1755 the interest on the former loan was reduced to 3 per cent.

In 1767 and 1769, in consequence of their holding possession of the territories in India, the Company agreed to pay the Public £. 400,000 per annum, and under this agreement paid — — £. 2,169,399

In 1781, on their charter being renewed to 1791, and three years notice (as usual) they agreed to pay the Public — — £. 400,000
£. 2,769,399

CHAP. III. IN 1784 the Commutation Act passed, and the duties on tea were lowered from the very high rates at which they before stood, and a tax on windows was laid to compensate for the deficiency which, it was apprehended, might thence arise in the amount of the public revenue.

THE circumstances which led to this measure, and its beneficial consequences, have been already explained. We shall therefore only remark, that the great increase which has been made to the Company's trade, has nearly compensated for the reduction of the duties on tea. On the average of eight years 1784 to 1792, the customs and duties on East-India goods have amounted to £.964,238; and if the year 1784 be omitted, in which the measure could have but a partial effect, the average would be about £.1,000,000.

It is, however, to be observed, that the whole of the customs and duties, above stated, has not been really paid to the State, the greatest part of the cotton goods, as calicoes and muslins, is re-exported; as is also some part of the tea, of the drugs, grocery, silk, &c. sold at the Company's sales, on which a considerable drawback is allowed. The drawback on the India and China goods, so exported, has, in some years, amounted to a third of the whole duties paid; but considered, in a general point of view, it is presumed, that whatever drawbacks are allowed, or bounties granted on goods exported, the country is benefited, on the whole, more than the sums so drawn from its revenue.

By this means Britain is made the grand emporium for Asiatic produce, that produce is imported in British ships, navigated by British sailors to and from Asia, and is re-exported, in the same manner to the Continent, from whence other articles, paying duties, are brought in exchange. By the resort also of foreigners to purchase East-India goods at the Company's sales, large circulations of trade are kept up, and the commerce of the country, in other articles, is considerably invigorated.

SUCH has been the participation which the Public have received of the trade and revenues of the Company, arising from sums lent at particular rates of interest, or paid as quit-rents for the territories in India, and for the exclusive privilege of trade, or as derived from the customs and duties levied on the goods imported from the East-Indies to Great Britain.

THE next point of view in which we are to consider the trade of the East-India Company, respects the amount of the dividends on the capital stock, which it has yielded to the Proprietors. At the union of the two Companies, the dividend was only five per cent. it immediately rose to eight, soon afterwards to nine, and in less than three years to ten per cent. From this rate it varied, as circumstances affected the trade, to eight and to seven per cent. until the war in Europe and in India reduced the dividend to six per cent. in 1756. Taking the forty-seven years from 1709 to 1756, the average amount of the dividends on the capital of

—in the dividends received by the Proprietors.

CHAP. III.

£.3,200,000, for that period, is eight and a quarter per cent.* During the next eleven years to Christmas 1766, when the Company became fully possessed of the territories in India, the dividend was only six per cent. In 1767 it rose to ten, next to eleven, then to twelve, and to twelve and a half per cent. In 1772 it was reduced to six; in 1777 it rose to seven; in 1778 to eight per cent. at which rate it has continued to the present time. In 1786, the capital was raised from £.3,200,000, to £.4,000,000, and in 1789, to £.5,000,000. If we take the nineteen years and a half, from 1767 to Midsummer 1786, when the first addition was made to the capital stock, the dividend, on an average, amounted to eight and five twelfths per cent.† On the whole, therefore, the Company's dividends from the acquisition of the territories in India to the time at which it was found expedient to extend their capital, have somewhat exceeded the average rate before

* The dividends during this period were as follows:

		years			
Christmas 1708 to	Lady-day 1709	$\frac{1}{2}$	at	5	per cent.
Lady-day 1709 to	Michaelmas 1709	$\frac{1}{2}$	at	8	
1709 to	1711	2	at	9	
1711 to	Midsummer 1722	$10\frac{1}{2}$	at	10	
1722 to	1732	10	at	8	
1732 to	1743	11	at	7	
1743. to	Christmas 1755	$12\frac{1}{2}$	at	8	

47 years, average $8\frac{1}{4}$ per cent.

The next eleven years, from 1755 to 1766, the dividend was 6 per cent.

† The dividends during this period were as follows:

Christmas 1766 to	1768	2	years, at	10	per cent.
1768 to	1769	1	at	11	
1769 to	1770	1	at	12	
1770 to	Midsummer 1772	$1\frac{1}{2}$	at	$12\frac{1}{2}$	
Midsummer 1772 to	1776	4	at	6	
1776 to	Christmas 1777	$1\frac{1}{2}$	at	7	
From Christmas 1777 to the present time				8	

that

that event. But if the eleven years from 1756 to 1767, while they were acquiring those possessions, be taken into the account, the reduced rate for that period would bring the average below its former amount.

CHAP. III.

BEFORE we conclude this part of the subject respecting the general state of the Company's trade, it seems proper, in order to shew still farther the importance of it, to state the sums which have been paid from it for the freight of ships, and for the charges of the warehouses, salaries of the Company's servants at home, and other expenses in this country, which are classed under the general description of charges of merchandize.

Amount of the charges of freight and of merchandize.

		Paid for freight.	For charges of merchandize.
From 1749 to 1757, average of 8 years,		277,432	107,306
1757 to 1767, — 10		392,498	149,658
1767 to 1777, — 10		490,259	209,115
1777 to 1785, — 8		567,754	241,124
1785 to 1793, — 8		867,833	356,979

THESE charges arising principally in the ordinary course of the Company's trade, support no inconsiderable part of the navigation of this country, and maintain a great number of its inhabitants, employed, in various situations, to manage their commercial and other concerns.*

AFTER

* As these observations relate particularly to the Company's trade, we have not adverted to that part of the trade to India and China, which is carried on by the Commanders and Officers of ships on a proportion of tonnage allowed by the Company. Individuals, in India, also have been admitted to send goods to Britain on paying cer-

CHAP. III.

General inference establishing the principle upon which the British trade to the East-Indies should be conducted.

AFTER a review of the facts and events accompanying the rise, progress, and present state of the East-India trade, after establishing, by evidence, that the China trade (of which we are, at present, almost in exclusive possession) must remain with the present Company; and after having proved that the India trade derives its support and its utility to the Public, from the same credit which supports that to China; the inference is, that the present system of East-India trade ought to remain, as the only one, which facts and events have shewn to be beneficial to the Public. If any other should be proposed or adopted, the balance of profit arising from the whole of the East-India trade, and the benefits which Great Britain, at present, receives from it, might pass into the hands of foreign European Companies.

IV. The Government for British India must accord with the characters of the natives and with subsisting treaties.

FOURTH. *The Asiatic Subjects of Great Britain must have a government that is coincident with their characters and usages, and that accords with the treaties which the East-India Company have concluded with the native Princes and States in India. The governments abroad must be so constituted as to preserve to Britain the balance of power in India, and the administration of Indian affairs at home established upon principles conformable to the spirit of the constitution.*

tain rates of freight. The exports of British manufactures, &c. to India and China, in this private trade, is estimated to be nearly equal, in value, to the Company's exports, as before stated; but the amount cannot be ascertained. The goods imported from India and China, in this manner, and sold at the Company's sales, besides those sold on their own account, stated in page 296, amounted, on an average,

From 1762 to 1767	—	—	£.184,315 per annum.
1767 to 1777	—	—	170,314
1777 to 1785	—	—	210,520
1785 to 1793	—	—	755,757

WHOEVER

WHOEVER has studied the history of civil society, must have observed, that there is a kind of government which is adapted to the particular characters of a people. In early ages, it generally consists of a few simple rules, which accidents and events have dictated and brought into practice. These rules commonly go no farther, than to point out the power of the governing and the duties of the governed; that is, of the civil and military officers and of the subjects. These distinctions are, however, peculiar and local, and, in fact, are, according to circumstances, nothing more than the employment of reason and experience, to form such rules for the safety and protection of a people, as their situation requires. The most wise nations have, therefore, been satisfied, that this is the only philosophy that is practicable in actual life, and have always preferred improvements on established government, and laws, to refinements which are as impracticable as they have proved ruinous. Hence the universal method of correcting usages and customs, instead of introducing extravagant schemes. The Greek Legislators improved on the usages of their country, and only reduced its laws to order, or to a written system. The Romans, when they imitated the Greeks in their jurisprudence, only methodized their own laws, by reducing them to the fixed and simple principles of the Greeks. The Legislators, in neither of these nations, supposed, that the people for whom they acted could lay aside their prejudices, or that they could lay aside their own. Utopian schemes uniformly have produced anarchy, and, in no instance, could they be more dangerously attempted, than in forming a plan of government for the dominions of Great Britain in Hindoostan.

CHAP. III.

Illustrations
from the
History of
Hindoostan.

CHAP. III.

Ancient government of India monarchical.

IN the history of India we discover, that the inhabitants (in ancient times) were subjected to Chiefs, who had the power of leading them into the field, but who evidently must have been controuled by the mild superstition and manners, which uniformly have prevailed in that happy climate. We are not able otherwise to account for the improved state of the arts subservient to utility and to luxury, in the early ages of that people, or to explain the progress of their manufactures of every kind, which made Hindoostan so tempting an object of invasion to its barbarous neighbours.

Became more absolute on the establishment of the Mogul empire,—

THE term barbarous may, with propriety, be applied to the Persian, Afghanistan, and first Mogul conquerors, whose original object was to collect plunder, and carry off slaves to labour for them, in the countries from whence their armies had issued. The latter Mahomedan conquerors were actuated by different motives; the establishment of a seat of empire, and the promulgation of a new superstition. If Timur relinquished the greatest part of his Indian conquests, he laid the foundation for the re-assumption of them by his descendant Baber. This Emperor, after he had fixed the seat of his empire at Delhi, and introduced a military force to overawe the vanquished Hindoos, and to compel them to embrace the Mahomedan faith, established a government that was absolute in its spirit, and severe and persecuting in its practice. Hence the confusions which took place during the reigns of his immediate successors; and hence the value and importance of the wise and mild institutions,

institutions, which distinguished the reign of the virtuous Acbar.

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STILL, however, the government of the Moguls was absolute, and from its being persecuting, held in abhorrence by the Hindoos. The Moguls had now become Sovereign Lords, or Lords Proprietors of the soil, and though in many instances they continued, its ancient masters, yet as superiors, they frequently exercised the power of removing them. It was to preserve this prerogative that they entrusted the armies, in the different divisions of the Empire, to soldiers of fortune, attached to them from interest and resembling them in ambition. Under adventurers of this description, they commonly placed new adventurers, as seconds in command; who, from the hope of succeeding to the principal trust, became spies on their immediate superiors, and were ready by secret, or by open means, upon a hint, or a mandate from the Sovereign, to imprison, or to put them to death. A system of obedience was thus infused into the army, and it had the tendency to strengthen allegiance to the Mogul.

—and still more so when the Mogul government took a regular form.

It has already been observed, that the Moguls frequently allowed the Rajahs, or Hindoo Princes, to retain a degree of sovereignty in their districts, upon their becoming bound to pay a larger tribute than the Mahomedan Officers could have levied. The government of these Rajahs, from this circumstance, became more absolute than it had anciently been, when they were independent chiefs, though they acted as officers of

The spirit of the Mogul government suited to the situation of the dependent princes.

CHAP. III. a Sovereign, who was able to crush them, in any attempt to resist his power,

HAD Acbar defined the principle of succession to the Mogul throne; the civil wars among his descendants, which disturbed the reigns of Jehanguire, Shah Jehan, and even Aurungzebe, would probably never have taken place. It was this error which contributed to the subversion of the empire, for it gave opportunities to the native Hindoo states, on the Malabar side of India, and to the north of Delhi, to assert and to establish their independence.

—continued
after the
subversion of
the empire—

WHEN the Mogul empire fell, and the new sovereignties which, at present exist in India, arose out of its ruins, the government became still more absolute in its character than it had been, even, under Aurungzebe. The officers who usurped power in the provinces, in which the British dominions are situated, being themselves adventurers, had no other resource but that of a continued oppression of their new subjects. Their example encouraged the Mahrattah states, though they retained a milder system of internal administration, to exercise a power that was absolute, in the countries which they subdued, Sevajee, who first asserted, and Sambajee who established the independence of the Mahrattahs, were as absolute, in their characters, as Aurungzebe, or the Nizam-ul-Muluck had been in theirs.

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—became still more absolute under the usurpers.

So general had the spirit for usurpation become, both in those provinces which had composed the Mogul empire, and in those countries which had never been wholly subjugated by the Moguls, that in the short space of fifty years after the death of Aurungzebe, there scarcely remained, in the whole of the peninsula, a single descendant either of the first Mahomedan, or Hindoo usurpers, sovereigns in the countries, over which their fathers had ruled. The Deccan was torn from the family of the Nizam, and divided among a number of new adventurers. Aliverdi and the Vizier of Oude, divided the central provinces; and, in their turn, their descendants were degraded or rendered tributaries. The Mahrattah and Mysore Rajahs, in like manner, became the prisoners and political engines of their ministers, while the representative of the house of Timur was forced to fly to the camp of the European strangers, there to seek protection against his own rebellious officers, though still ruling in his name.

THERE can, therefore, be no question, but that, from the earliest times, the natives of Hindoostan have been habituated to a government, less or more absolute, and that an institution, of any other description, would be repugnant to their notions of subordination, and to the kinds of religion in which they believe, so that, relatively to them, it would be foreign and unintelligible.

Inference from this review of government in Hindoostan.

THE internal arrangements of the Mogul empire appear, from its history, to have taken the same arbitrary

The internal administration of the empire, coincident with the character of the government.

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characters, with the general spirit of the government. Acbar divided the empire into soubahs or provinces; fixed the quantum of revenue, and the quota of troops to be furnished by each; he made the Soubahdars, his Viceroys, and gave them absolute power in every thing but what regarded the collection of the revenues. This duty was assigned to the Duan, whose office it was to collect and remit the revenues to Delhi. As the Duan thus divided the power with the Soubahdar, the animosities of these officers either ruined the one or the other, or their agreement doubled the oppression upon the inhabitants: The Duan, from his office, was intended to be a check upon the Soubahdar, or an honorable spy of the Court: hence the source of a two-fold species of oppression; the Duan levied more money than the stipulated revenues, and secretly paid the Soubahdar for winking at his extortions; and the Soubahdar levied contributions on those articles which were not taxed by the Mogul. Each thus pursued his own measures, that each might be able to bribe the Court for a prolongation of his power, and secretly to attach to himself foldiers of fortune, who, in the event of its frowns, might awe it into compliance.

—was more rigid in the provinces than at the seat of empire.

NOR was this system confined to the Soubahdars and Duans only, for it was practised by the Nabobs and Hindoo Rajahs (who had been continued superiors of their districts) not only with respect to the Soubahdar, who had appointed them, but with respect to their own officers, that they might acquire sums sufficient to influence the Vizier, or Prime Minister,

at Delhi, for a protection and a licence to levy small additional taxes, but which on that account, were more burdensome. In the same manner, the Naib-Nabobs, and Naib-Rajahs, superiors often of only a few Purgunnahs, and the Zemindars, or superiors of a few farms of those Purgunnahs, bribed, oppressed, became rich, and often independant.

THE laws of any country are only regulations, deduced from the spirit of the established government. The laws which prevailed in Hindoostan were, of course, arbitrary in their spirit, and frequently partial and corrupt in their application. The simple and equitable maxims of the Hindoo code of laws, and the apparently rigid Mahomedan jurisprudence, would, at first sight, lead us to suppose, that the distribution of justice in India had been equitable or stern; but in the annals of that country, we discover the courts of law pronouncing decisions, in almost every case, in favor of the party who could buy them; and the natives entertaining no other ideas, in going to a court of law, but those of being supported by the friends they had bought, under the specious refinement of giving presents, to mark their respect for the Judge. The only exception, perhaps, was, in cases where the religious customs of the country stood in opposition to the practice of these biased or corrupt proceedings.

The judicial power accorded with the spirit of the government.

THE revenues of the country, which consisted in the rents of lands, in a heavy taxation on the Hindoos, and in arbitrary imposts upon industry, were levied, indeed, according to fixed assessments, but always by means of an irregular armed force;

—And the financial system with both.

CHAP. III. force ; this militia the Soubahdar led against the Nabobs or Rajahs, who had been backward in their payments ; and they, in their turn, against their inferiors. Every Zemindar had a band of soldiers, proportioned to the extent of the district he superintended ; and, as he was also a kind of magistrate, and often acted as an officer of police, as well as a collector of revenue, he was, in fact, a species of petty Prince.

THE general spirit thus of the government, was not only arbitrary, but, in the administration of its offices, it resembled more a military than a civil institution.

The East-India Company acquired their territories, as the officers or allies of these absolute Princes

IF such was the situation of Hindoostan, both when the East-India Company began to purchase their seats of trade, with narrow districts around them, and after the acquisition of extensive provinces, it is evident, that their titles were founded on agreements and treaties with the established powers ; that they acceded to the usurpations of the Soubahdars, Nabobs, and Rajahs ; and that, in fact (taking in the general tenor of all the treaties with the country powers, the Sunnuds which they obtained from them, and the Phirmaunds, which they purchased or extorted from the fallen Mogul), they have engrafted only the portion of the British Government, which had been delegated to them, within their limits, upon the Mogul system, and yet have pledged the faith of the British nation, as its representatives in India, to become, in the Bengal Provinces, the Duans of the Mogul, and in those on the Coromandel Coast, his officers.

A SOVEREIGN may refuse to ratify the deed of his Ambassador, because he may say his agent has exceeded the powers entrusted to him. If, however, after a treaty has been ratified by a Sovereign, he shall refuse to abide by the terms upon which it proceeded, he violates the great principles of national law, viz. *Public Justice* and *Public Faith*. The case is stronger even than this, between Great Britain and the native Princes of Hindoostan: for, in the first place, the powers given to the East-India Company, were greater than those given to an Ambassador; and, in the next place, the people with whom the Company entered into treaties, had no other idea of the Company's power, than that of the British nation. Great Britain thus, in fact, though not in name, has contracted, in the most solemn manner, with the country powers. In some cases, we hold our territories of Nabobs, Rajahs, and Soubahdars; in other cases, we have obtained them by becoming the officers of these Chiefs; and, in others, have held them directly of the fallen Mogul. In the first of these cases, judging by the notions of public honor entertained in the countries where the treaties have been concluded (and this is the sole criterion), Great Britain holds by a *less*; in the second and last, by a *more* defined tenure.

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Britain cannot, in consistency with subsisting treaties, recede from this tenure.

By the political system of Hindoostan, Great Britain might set aside the tenures from Soubahdars, Nabobs, &c. and obtain from the Mogul himself, a Phirmaund, by treaty or by arms, and hold its possessions immediately of him; but, in the first place, we have made treaties with these subordi-

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nate Princes; in the next, the usurpers who portioned out the Mogul dominions, possessed the only power to give grants; and, in the last place, the descendants of the Moguls have as few rights to confer, as the Rajahs of Poonah and Myfore now possess.

—But must, on the basis of national faith and expediency, continue it.

As the British possessions then have been conveyed to the Company by treaties with the country powers and with the Mogul; and as these treaties alone are intelligible to our Asiatic subjects, who hitherto have viewed us as the officers or representatives of their fallen Sovereigns, and still consider us as proceeding upon something like their ancient system of government, we can only expect to preserve the allegiance of the natives, or to hold the balance of power in India, by conforming to the treaties which we have made;—treaties, from which we have acquired, and, at the present moment, hold our possessions. The usages and manners of the people require this from us as a law of nations, deviations from it would not be understood by them, more particularly, if we were to infringe on customs which they understand and venerate.

Difficulty of engrafting distant Provinces, upon a free constitution.

It becomes, however, a nice political question, by what method can dominions thus acquired, and thus to be held, be rendered useful to the British empire? When we come to submit propositions on this branch of Indian affairs, this subject will be found to require much political discussion. A distant province may be easily incorporated with an absolute government, for it is only adding to its power and resources;

sources ; but to engraft a remote dependency upon a free government like Britain, requires a delegation of power, which seems to be incompatible with its spirit, and which uniformly becomes a source of jealousy in itself, and in the exercise of it. The more alive the subjects of a free government are to the value of the constitution which they themselves enjoy, the more unguarded do they become, in their speculation, about extending the privileges of it to the distant dependencies on their power. The political characters of the center, and of the extremities of an empire, are different and distinct subjects. The privileges, which are the vitals of the one, would, if conveyed to the other, necessarily cut asunder the connexion. Rome retained its legislative and executive powers, and only gave its protection and its laws to the provinces. Great Britain has acquired provinces in the Peninsula of India, and its sovereignty in them can only be preserved by extending the protection, and the laws of England to the subjects of the King (including the Armenians and others who have been considered as British subjects)—by affording to the natives protection ; and, by introducing such improvements upon their laws, as their habits of thinking, and of transacting with the Company, will allow.

To render then our Indian possessions and the trade connected with them an useful part of the empire, and of its resources, the governments abroad must be vested in officers, with full, prompt and discretionary powers. With such powers, their administration will be understood by the natives, because resembling those which their

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ancient Soubahdars possessed ; in exercising them, an easy and open communication with the country Princes and states, on political or commercial subjects, may be maintained ; and the balance of power in India, remain in the hands of the Company, considered as a branch of the Mogul empire.

It is, perhaps, a still more difficult political arrangement to fix the source of this power in Britain, in such a manner, that by its weight it may not destroy the equilibrium of the estates of Parliament. The influence, which the management of a rich domain might give to the executive or legislative powers should not exceed the proportion which the one or the other ought to hold, by the spirit of the government ; for it would be as dangerous an extreme to give the whole of the Indian patronage to the one, as it would be unwise to assign it, without controul, to the other.

THE example of the most free nation of antiquity is followed in the system by which India, at present, is governed. Rome made its Proconsuls absolute in the provinces, but responsible to the Senate and People. Britain, in like manner, has made its Governor-general of India as absolute, apparently to the natives, as the ancient Soubahdars were, but responsible to the Directors, and to the controuling power, and both responsible to Parliament.

THE system then to be adopted for the future government of our Asiatic dominions, and regulation of our trade to the East-Indies, must arise out of the characters and usages of the people. It must be modified by the treaties, which the East-India Company have concluded with the native Princes and States ; and while we are to delegate a power that is prompt, discretionary, and suited to the case, or to the administration of our interests in India, we must take care, that the exercise of that power, shall not be made the means of biasing the Legislature ; nor, of conveying to the executive government any degree of influence beyond that, which the spirit of the British constitution has assigned it.

HISTORICAL VIEW
OF PLANS,
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

PART II.

OUTLINES OF A PLAN OF FOREIGN GOVERNMENT, OF COMMERCIAL OECONOMY, AND OF DOMESTIC ADMINISTRATION, WHICH SEEMS TO BE CALCULATED FOR THE PRESERVATION OF THE BRITISH POSSESSIONS IN INDIA, AND IMPROVEMENT OF TRADE TO THE EAST-INDIES.

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PLAN OF GOVERNMENT FOR BRITISH INDIA, WITH THE JUDICIAL, FINANCIAL AND MILITARY POWERS, REQUIRED TO SUPPORT IT.

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OF THE PLAN OF GOVERNMENT REQUIRED FOR BRITISH INDIA.

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Questions on which a Plan of Government for British India, seems to rest.—Facts upon which the Answers depend.—Result, pointing out the Propriety of renewing the Privilege of the Company.—Trade and Revenue to be granted for the same Period.—Plan of Government required under this Arrangement;—Must accord with the Characters of our Asiatic Subjects, and with the Revenues they can pay.—Aspect of Government in Hindoostan, under the Moguls—Under the Soubahdars, Nabobs, and Rajahs;—Under the later Usurpers;—Under the East-India Company, when they acquired their Territories;—Under the successive Presidencies.—These Aspects of Subordination, in Hindoostan, require one Supreme Governor, —who must be absolute in the Opinion of the Natives, but responsible in Britain;—Should be the Representative of the British Nation in India;—but remain in the Nomination of the Directors.—Bengal to continue the Seat of Government, Madras and Bombay to be Dependencies on it.—All the other

Settlements to be Residencies.—The Selection of a Military or Civil Governor-general and Presidents, to be in the Government at Home.—Duties of the Governor-general and Presidents.—Reports to be made to him from the subordinate Presidencies, with his Powers of judging and deciding on them.—Salary of the Governor-general, &c.—Offices and Duties of the Councils—Changes required in this Part of the Government.—The Councils to be selected from Company's Servants of twelve Years standing.—Duties of the Members of Council.—Division of the Administration among separate Boards—Constitution and Duties of the Board of Council.—Constitution and Duties of the Board of Revenue.—Constitution and Duties of the Board of Trade.—Constitution and Duties of the Military Board.—Reports from these Boards to be made monthly;—from the subordinate Presidencies quarterly, to be transmitted to Britain.—Office and Duties of the Secretaries.—Question whether the foreign Governments should have the Power to make temporary Regulations for the internal Administration of the Provinces.—Restrictions under which this Power ought to be placed.—Restrictions to be laid on the Executive Power at Home, respecting it.—Degrees of it expedient in the subordinate Presidencies.—Constitution of the Judicial, Financial and Military Powers required in the British Dominions in India.

HAVING brought into view principles, arising out of the history of Hindoostan, and of the East-India Company, and shewn, that from the nature of the case, a system of government for the Asiatic possessions of Great Britain, in their connexion with the trade to the East-Indies, must necessarily rest on them; and having pointed out, that the state has a right to dispose both of the East-India possessions and trade, in the manner, that it may deem most advantageous for the Public interest; two questions necessarily come forward, viz. Upon what plan is the Legislature to dispose of this valuable branch of the empire and of its resources? And, supposing it to vest them in the East-India Company, What system of government will be best suited to the preservation and improvement of both?

Questions, on which a plan of government for British India, seems to rest.

WHEN the Legislature shall examine the first of these questions, it will have to take into consideration the circumstances from which the political and commercial principles already treated of are obvious inferences, viz. That land and industry in the British provinces in India, ought to be assessed and the revenues collected upon a plan that shall strengthen the attachment in the natives to the British Government; but that this plan ought to be calculated to invigorate and more fully to establish our Asiatic commerce,

Facts upon which the answers depend.

CHAP. I. and to render the provinces and trade a resource to the Public: that the Company, by whom the territories have been acquired, and the trade brought to its present extent and magnitude, should (if their exclusive privilege is to cease and determine) be left in a situation, after having the debt due to them by the Public repaid or liquidated, to recover the value of their home quick and dead stock, and a compensation for their foreign dead stock; and that they should be enabled to discharge all their lawful debts, and to recover an equitable value for their proprietary stock.

Result, pointing out the propriety of renewing the privilege of the Company.

UPON a general view of all the existing circumstances, and of the consequences which might be experienced from any alteration of the established system of Indian affairs, it may be fit and expedient, that the Company's charter should be renewed to them, under certain conditions and regulations to be specified in the act, from which the prolongation of their privileges is to proceed, and upon such terms as shall enable the Public to receive an equitable consideration for the grant.

Trade and revenue to be granted for the same period.

It is impossible to say, with any precision, to what number of years it may be expedient to extend the new exclusive privilege of the Company; but it will be equitable in the Public to grant, and in the Company to accept of such a term as may, with proper management, enable the one to re-assume its right of disposing of the territorial possessions in India, and the privileges of trade, at the expiration of that period;

period; and the other to improve the revenues from the territories, in such a manner, as to introduce and establish under the controul of the executive power (responsible to Parliament) a system of finance, suited to the nature of the countries entrusted to their administration; and a system of trade which shall, progressively, invigorate the domestic manufactures and commerce of Great Britain.

For these purposes it may become necessary for Parliament to declare, that the territorial acquisitions of Great Britain in the East-Indies, with the revenues accruing from them, shall remain with the East-India Company, during the term to be granted them of an exclusive privilege of trade.

SUPPOSING that this should be the resolution of Parliament, the other question, respecting the plan of government, will call for equal deliberation and wisdom to resolve it. If the privileges of the Company are to be continued to them, Parliament will have to devise and prescribe a government for our Indian provinces, fitted to preserve a valuable part of the empire, and a not less valuable branch of our trade and navigation.

Plan of government required under this arrangement.

A PLAN for Indian affairs must necessarily be addressed to those who have studied the subject, and to those who have only taken a general view of it. To the former, many parts of this work, as well as many of the regulations introduced by the Directors, and in Acts of Parliament, may appear unnecessary repetitions. To the latter, these minute particu-

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—must accord with the characters of our Asiatic subjects, and with the revenues they can pay.

THE kind of government which seems to be adapted to the British possessions in Hindoostan, must arise out of the leading facts in the history of that country. It has been found from experience, that, however perfect a system of government may appear, in speculation, unless it shall accord with the manners and prejudices of the people for whom it is intended, the attempt to reduce it to practice, has uniformly met with opposition, and frequently ended in the destruction of those who have endeavoured to establish it. In every age, and among every people, opinion and prejudices have been an overmatch for arms: hence, the most wise Legislators of antiquity found it expedient to accommodate government to the usages of a people, rather than to attempt the accommodation of their usages to a system of subordination, though apparently more perfect in its character. The British government in India then must take its character from the kind of subordination which the natives understand, and to which they have been habituated.

It has appeared in illustrating the principles out of which a system for the foreign government of the British provinces in India must arise, that the Moguls established their power by force of arms, that their administration was rather of a military than of a civil nature, and that they communicated to their Soubahdars, or Governors of provinces, the same absolute authority which they themselves exercised at the seat of Government, without foreseeing, that they thus laid the seeds of decline, in the very trenches they had dug out for the foundation of their empire. It has appeared, as the fruit of this original error, that a Soubahdar, though, at first, a meer Commander, raised by a Mogul to the government of a province, often became a kind of Sovereign, on the one hand, warding off, by bribes, or by an army of attached followers, the danger of being removed from his situation by his Prince; and, on the other, portioning out among his own immediate Officers, whether Mahomedans or Hindoos, districts in his province, and by a similar tenure with his own. That these inferior Officers followed the same system, undermined the power of the Soubahdar by whom they had been appointed, or allowed to retain their ancient portion of power; that by strengthening themselves in their respective districts, or by forming an interest at Delhi, they frequently counterbalanced the power of the Soubahdar, though they leaned on the same center from which he had derived his authority. In this way they became independent of him, as he had done of the Emperor. In their turn, these Nabobs (the term for Mahomedan Officers) and Rajahs (the term

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Aspect of government in Hindoostan, under the Moguls.

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for Hindoo officers, continued the superiors of districts), divided their authority, and by the same rule, among their Naibs, or deputies, and thus carried on a complicated system of oppression.

FROM the conquests of the first Moguls to the establishment of their empire, and from this period to its fall, the government introduced and understood in Hindoostan, has been an absolute monarchy, in which the Sovereign was held to be, if not the Proprietor of the soil, (what was equivalent to it,) its Lord Superior, to whom the natives looked up for protection against the arbitrary proceedings of Soubahdars, Nabobs or Rajahs; or, to the Soubahdar, the Nabob or the Rajah, when oppressed by Zemindars, Talookdars, &c.

—Under the Soubahdars, Nabobs, and Rajahs.

It has appeared in the next place, that the Soubahdars and Nabobs, who became Sovereigns in the provinces, of which they had formerly been Governors, embraced the same absolute species of subordination with the Moguls against whom they had revolted, and whom they had degraded. That they continued to rule in the name of the Mogul, though they had thrown off his authority, and overturned his empire; and that this line in politics, accorded with the prejudices of the people from the support which they gave to vicious and unprincipled rebels.

—Under the later usurpers.

It has appeared, in the third place, that when the first usurpers were degraded by others, the same kind of political chain had only new links added to it. The new usurper

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usurper continued the name, first of the old one, and next of the degraded Mogul; a proof, that even arms cannot command the prejudices, though they may the services of the vanquished. Nor were the Hindoo States less absolute in their principles and conduct. If the Nizam, and Aliverdi dethroned and expelled the Mogul from the provinces of which they had been Governors, they continued to rule in his name, so did the Peishwah and Hyder Ally, the Rajahs of the Mahrattahs and of Mysore, and if these Rajahs really live, the usurpers rule in their names, though the unfortunate chiefs are immured in the solitude of a prison.

It has appeared, in the fourth place, that the first British conquerors were in circumstances, which induced them to take the same ground with the usurpers who had preceded them. In this measure, they indeed had no choice: for they knew, that the sudden panic in the natives, which had yielded an easy victory to the Company's armies, would, from the nature of that depressing passion, quickly evaporate: and that it was better to reconcile the natives to new and foreign Masters, by accommodating power to their institutions and habits of thinking, than to take from them partialities, which human nature, on no occasion, has been willing to relinquish. To this foresight and to this political wisdom in Lord Clive, Great Britain is more indebted for its Asiatic dominions, than to his victory at Plassey.

—Under the East-India Company when they acquired their territories.

It has appeared, in the last place, that, after the British power had been introduced, the division of authority among

—Under the successive presidencies.

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the Governors and Councils, not only was the source of weakness and of want of energy in their administration, but of the corruption which made and unmade Nabobs, for the sole purpose of accumulating fortunes to mercantile and ambitious politicians. Even the fallen Mogul must be brought forward, and his name used, as an authority, for sanctioning measures, to which the natives were compelled to submit. Who were in the right, or in the wrong, in particular cases, is not now the question: but that the whole of the system of government was wrong, even the partial information which Parliament had then received, sufficiently evinced. Hence, the remedy which it wisely devised, of fixing the supreme Government in Bengal, and rendering the Presidencies of Madras and Bombay dependent upon that government; and hence, after fuller information had been procured, the wisdom of rendering the Governor-general independent of the Councils, and responsible only to the Directors and to the State.

These aspects of subordination, in Hindoostan, require one supreme Governor.

FROM the kind of subordination then, which prevailed, during the vigor of the Mogul empire; from the imitation of the Mogul policy, by the successive usurpers in the different provinces; from the confusion which took place, in the British Presidencies, in consequence of divided authority among Governors and Councils, from the foresight of Parliament, in changing this system, which might be proper for a commercial Company, though not for a delegated Sovereignty; and, in fine, from the experience of the beneficial effects of placing the Provinces more immediately under

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under the controul of the executive government at home, it is demonstrative, that the plan of government for our Eastern possessions, is that of one supreme Governor, who shall have full authority over all the provinces, assisted by such Councils as he may advise with; but without any right in them to check the exercise of his power in India, for which he is to be made responsible in England.

THE Governor-general should appear to the natives to be absolute, in the degree in which their Soubahdars were, though limited by the usages which regulated these officers; and, to the British subjects, serving the Company, or residing under its protection, to have the supreme power in India, though responsible in Britain. It would be dangerous, with respect to the former, if we attempted to alter a system of government to which they look up for protection: we have recently seen, in the downfall of the most consolidated and polished monarchy in Europe, the evils and fatal consequences of innovation. It would be impolitic, with respect to the latter, because it might again introduce those cabals among the Members of the different Councils, and those unfair proceedings in trade, in India, which it has been the object of Parliament to correct, punish and prevent.

—Who must be absolute in the opinion of the natives, but responsible in Britain

THE mode of civil government then, which the nature of the case, and which experience points out for India, is that of a *Vice-roy, or Governor-General* over all the settlements

—should be the representative of the British nation in India.

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and interests of Great Britain in the East-Indies. It is, at all times, much more wise to found upon the basis of an old and established system, than to substitute, in its place, the most plausible but untried theory.

—but remain in the nomination of the Directors.

As the Governor-general is, from his rank, both the representative of the ancient Soubahdar of the Moguls, and of His Majesty, it will be expedient that he should be vested with the dignity, as well as with the Powers of office. In this way his situation will be accommodated to the ideas of the natives, respecting their Sovereigns, and, at the same time to the spirit of the British constitution, which admits of the delegation of such power to the representatives of the King, but makes them responsible for the exercise of it. The nomination, however, of the Governor-general and Presidents, may remain with the Company, acting with the approbation and under the controul of the executive power.

Bengal to continue the seat of Government; Madras and Bombay to be dependencies on it.

To prevent every appearance of change which might either unhinge the present foreign system, or alarm the natives (subjects of Great Britain) or the Indian States and Princes in alliance with us, the present division of the Presidencies ought to be continued. Bengal, both from the magnitude of our possessions, in the center of India, and from the established practice in public transactions with the native States and Princes, ought to remain the seat of the supreme government. The Presidencies of Madras and Bombay, ought to continue subordinate to it. The Governors of either should, in their particular settlements, derive their

their appointment from the same source with the Governor-general, and under the like connexion with the executive power. They should be vested with a similar authority in their respective Presidencies, with that which the Governor-general exercises in Bengal, under the exception, that in so far as regards their administration, they should be understood, both by the natives and by the British subjects, to be under the controul of the Governor-general, and amenable to him for every part of their conduct. This dependency of the subordinate Presidencies upon the supreme government, cannot be rendered so obvious to the natives, or fixed in itself, as by continuing the late powers given to the Governor-general, of being supreme in any of the Company's settlements, in which the state of the public affairs may require his presence.

IN the case of a vacancy happening in the office of Governor-general, (who is also Governor of the garrison of Fort William,) or in the office of President and Governor of Fort St. George or of Bombay, these offices ought to be supplied by the Company, under the restrictions already pointed out. His Majesty, however, as at present, should have the power of recalling such Governors or Presidents, the recal being first signified to the Court of Directors, by an instrument in writing, under His Majesty's sign manual, counter-signed by the President of the Board of Commissioners for the affairs of India.

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All the other
settlements to
be residen-
cies.

Experience has shewn the inconveniency of having a President and Council at Fort Marlborough in the Island of Sumatra; and that the administration of affairs in India has been simplified, by reducing it to be a Residency, depending upon Fort William. Considerable saving has been made in the expenses of maintaining it, as a Residency only. It ought therefore to remain in this subordinate situation, and in case of any new establishments being made within the Company's limits, they should be residencies only, subject (according to local situation and other accidental and expedient circumstances) either to the Bengal, or the Madras, or the Bombay presidencies.

The selection
of a military
or civil Go-
vernor-gene-
ral and Presi-
dents, to be
in the go-
vernment at
home.

To prevent, as much as possible, jealousies or disputes from arising between the civil and military power, it ought to be left to the Government, at home, to confer the appointments of Governor-general and Commander in Chief, or Presidents and Commanders in Chief, in the subordinate settlements, on the same or on different persons, as circumstances may require the union or separation of their duties. There was nothing which, during the first period of our power in India, appeared more unintelligible to the natives, than that an officer, at the head of an army, could be controuled by, or could pay obedience to a Civil Governor. Both, therefore, on account of the prejudices of the natives, and to prevent jealousies or embarrassments in the service, it may be proper, at one time, that the Governor-general

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general should also be a military officer, and one of reputation and of experience; at another time, as events may occur, a Civil Officer, whose knowledge and local experience may point him out to be the most proper person upon such an occasion. The executive responsible government, at home, can alone judge of these occasions. In the event, however, of a Civil Governor-general being appointed, the Commander in Chief ought to be held responsible only, for the execution of the orders he may receive from his superior, the Civil Governor.

THOUGH the duties of the Governor-general, and Presidents of the subordinate settlements, have been pointed out by the act 1784, and more fully defined by subsequent acts, and by the arrangements introduced by the Commissioners for the affairs of India, it will be proper to explain them in detail, as the first and most important branch of this plan. The duties of the Governor-general and subordinate Presidents, ought to consist in receiving and answering all letters from the Directors and from the executive government at home. In matters of a public concern, the Governor-general should continue to address his letters to the Secret Committee, and in matters of a commercial nature, to the Chairman of the Court of Directors. In either case, the Court ought to be bound, forthwith, to communicate the contents to the Commissioners for the affairs of India. This arrangement has had the effect of rendering the Commissioners more positively responsible to Parliament, and the

Duties of the
Governor-
general and
Presidents..

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Directors to the Proprietors. The Governor-general, as President of the Supreme Council, ought to have the power of consulting with the Members of Council, and of ordering the consultations to be engrossed and reported. He is to summon Councils, at specified times, as public or commercial business may require. He is to lay before the Council reports from the subordinate Boards, and, in fine, whatever matters of expediency he may think require their advice and assistance. He is to have the option, however, of deciding for himself, or of deciding by the majority of voices in the Council; but, in both cases, he alone is to be responsible. He is to have the right of assigning his reasons, or not, to the Council, for whatever opinion he may adopt; and, if he think it expedient, he may order the opinions of the Members of Council, first, to be reduced to writing, next, to be recorded, and, lastly, to be sent home with his own decision. He is not to be obliged to disclose the reasons of his opinion to the Council, farther than may be necessary for carrying the business, upon which it is formed, into execution. He is, however, in all cases, to communicate it to the Directors and to the Executive Government at home. He is always to preside in the public department, whether, when it is judging of the reports from the different Stations in the Presidency, under his immediate charge, of the intelligence he may receive from the Residents at the Courts of the country powers, or of the interferences which the British nation may have in India with the European Powers.

FROM the supremacy of the government of Bengal, all reports respecting the measures adopted, or proposed to be adopted, in the subordinate Presidencies of Madras or Bombay, are to be made to him. In such cases, he is to disclose the contents of the dispatch to the Council, and to require their opinions on them; but, on account of his responsibility, he is to be left at liberty to form a resolution for himself, and to explain his reasons, or not, to the Council, as he may think it expedient. He is always to send home, with such decisions, copies of the correspondence, with the subordinate Presidencies, as well as copies of the recorded opinions of the Council, on the subjects of them, that the Directors and the executive government may have the fullest information respecting the measure which has been adopted. That the whole business may be as much in unison as possible, he is to transmit also a copy of his own decision, not only as sent to the Presidency which had applied for it, but to the other Presidency, with his order for its conforming to his commands, in such manner as shall the most effectually secure the execution of them. In cases where it may be of advantage to have the opinion of the natives, on any matter, either of politics or of commerce, it has been recommended, that the Governor-general should have the power of calling upon such of the natives, as may have been useful to the British nation, and of giving them such allowances, as the nature of the service may require, or of conferring on them such *honours* or *titles*, as may tend more effectually to ensure their allegiance.

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Reports to be made to him from the subordinate Presidencies, with his powers of judging and deciding on them.

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Salary of the
Governor-
general, &c.

THE salary of the Governor-general may be fixed, as at present, at £.25,000 per annum. He is to take the oath of fidelity, and against receiving presents or gratuities, directly or indirectly. In case of a breach of either oath, he is to be liable for a misdemeanor, and punishable by the Committee of Parliament, appointed for trying Indian delinquents. The evidence may first be taken in India, and next, transmitted by the supreme Court of Judicature to Britain, that the accused may be brought to trial within a specified time.

Offices and
duties of the
Councils.

HAVING thus defined the rank and duties of the Governor-general and of the Presidents of subordinate settlements, it will next be necessary to describe, the offices and duties of the Councils; it being always understood, that the powers given to the supreme Council for Bengal (allowing for difference of circumstances), are the same which are to be exercised by the Councils in the subordinate Presidencies.

Changes re-
quired in this
part of the
government.

SEVERAL circumstances, which experience has pointed out, will render it expedient to make some changes in this branch of the government. In the first place, the political situation of India, since Great Britain became possessed of territorial dominions, requires, that the Councils should be composed of men conversant in public affairs, as well as in Asiatic commerce. Neither the species of education, which many of the Company's writers may have received, nor the opportunities of improvement, which their subsequent habits of business may have afforded them, can,

can, in many cases, qualify them (if succession is to proceed by seniority alone) to judge of the political interests of India, or of the connection which now subsists between Great Britain, as an Asiatic power, and the European nations having commercial and political interests in the East. It is necessary, therefore, that the Council shall be composed of men fully qualified for their station, and not made, up of those, to whom the accident of seniority, in the Company's service, might assign a seat in it. Seniority surely cannot form the Financier, nor the Statesman: both of these characters however must be found in the Councils of our Asiatic Presidencies, to which the Governor-general or the Presidents are to resort for advice in his or in their administration. Such characters may have arisen among the Members of the successive Councils in India; but these events can have no weight in the formation of a system, and can only be considered as contingent or fortunate. In the next place, it is evident, that no Council can be properly composed, without including in it Members, who have had long practice and local experience in India, both in the novel subject of Indian politics and in the singular one of trade connected with the revenue. On this account, the Directors, in concert with the Executive Government at home, ought to have the power of selecting Members for the different Councils, from the Company's servants, of twelve years standing and employment in the country.

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The Councils to be selected from Company's servants of twelve years standing.

THAT the constitution of the Councils may embrace the whole of these ideas, it ought to consist of a specified number of Members, besides the Governor-general. They ought, from the nature of their duties (to be immediately described), to be in the nomination of the Directors, acting in concert with the executive power, and selected from such of the Company's servants as may be judged the best instructed in the politics and commerce of Europe and of India. It may be proper that they should have been twelve years resident in the settlement to which they are appointed. The power of recalling them ought to proceed upon the same principle with that of recalling Governors or Presidents.

Duties of the Members of Council.

THE duties and offices of the Members of Council should be as follows. They ought to assist the Governor-general, or Presidents, with their advice, and to sanction the reports from the subordinate Boards, in the manner that shall be immediately pointed out; they ought to share in all the functions of the executive government, whether in matters of political concern, in the distribution of justice as members of the Nizamut Adawlet, &c. in the regulation of police, or in the direction of commerce; and in whatever cases the Governor-general, or Presidents, exercising the executive power, may require their assistance.

Division of the Administration among separate Boards.

SUPPOSING the Governors and Councils to be established upon this plan, the business ought to be conducted (as at present) by four distinct boards; the *Board of Council*, the *Board of Revenue*, the *Board of Trade*, and the *Military Board*.

1. THE

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Constitution
and duties of
the Board of
Council.

1. THE *Board of Council* ought to consist of the Governor-general, and the Members of Council: to this Board have been assigned those branches of business, which are comprehended under the general title of the *Public Department*, viz. the correspondence with the Directors and with the Secret Committee; the correspondence with the subordinate Presidencies; the examining and judging of all plans that may regard the internal administration of the provinces, whether such as relate to the conduct of civil or military officers, the improvements or alterations required in matters of taxation, the employment of the army, or the establishment and direction of the police.

Constitution
and duties of
the Board of
Revenue.

2. THE *Board of Revenue* ought to be composed of that Member of Council, as its President, who has been selected from among the Company's servants, on account of his local knowledge and experience; such President should always be one of the Company's servants who has been trained in this particular department or been employed in it, at least, twelve years. He ought to be made responsible to the Governor-general for whatever measures he may advise, or whatever orders he may give to the civil servants placed under him, in the various delegations of his trust. He ought to examine and sanction the reports from the superintendents of the different districts, respecting all matters of revenue that come immediately under his direction and controul. In the discharge of this office, he ought to be assisted by the

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Receiver-general of land rents, the Collector-general of customs; and the Collector-general of inland duties. Each Member of this Revenue Board (it should be understood) is to be responsible to it, in the first instance, for the management of that particular branch of the business which is more immediately committed to his charge.

Constitution
and duties of
the Board of
Trade.

3. THE *Board of Trade* ought to be composed of that Member of Council, as its President, who has been appointed, to this department on account of his capacity and experience in commercial affairs. It has already been specified, that he ought to be of twelve years standing in the service; perhaps it may be expedient, that his standing should be in this particular line. He should be assisted by a number of senior servants corresponding to the commercial residencies in the settlement. Each of the Members of this Board should have the charge (in subservience, however, to the orders of its President) of that part of the business which, in his quality of Resident or Factor, had formerly been under his direction; and, in a particular manner, ought to be responsible for the sales, of imports from Europe; for the quality and price of the goods provided in India; for the home or foreign markets; and, in general, for every thing that relates to the commercial interests of the Company.

Constitution
and duties of
the Military
Board.

4. THE *Military Board* ought to be composed of the Commander in Chief (even supposing him to be the Governor-general)

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general) the second in command; the Chief Engineer; and the Commandant of Artillery. Each Member ought to have the duty of managing and reporting to the Board, that part of the business of the army for which he is professionally qualified: that is to say, the Commander in Chief should direct in all matters relating to the general constitution and state of the Company's European, or Native troops. It, perhaps, might not be improper to assign, to the second in command, the more immediate superintendence of the native Sepoy corps: to the Chief Engineer all matters regarding fortifications, military roads, &c. and to the Commandant of Artillery, whatever relates to the military stores, &c. required in that important part of the service in which his corps is more immediately called to act.

It might be proper that the reports of these Boards, signed by their President, should be made monthly in Bengal, to the Governor-general, in the subordinate settlements to their respective Governors; that each, upon taking a review of the whole business in his particular settlement, might be enabled to adopt measures calculated to promote the commercial and political interest of the Company.

Reports from these Boards to be made monthly;

THE Presidents of the subordinate settlements ought to transmit to the Governor-general, quarterly, the state of each of the departments in the settlements more immediately

—from the subordinate presidencies quarterly, to be transmitted to Britain.

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diately under their charge. This would have the effect of placing, constantly, under his eye, the actual state of affairs in all the settlements, and would enable him to make up quarterly reports on them, to be transmitted to the executive Government and Court of Directors, at home. One copy of these reports ought to be sent over-land; one by a packet vessel every three months; and one by the first of the Company's chartered ships that might sail after the preceding dispatches had been sent off.

—Office and
duties of the
Secretaries.

THERE should be, as at present, one principal Secretary at each of the settlements, to whom all dispatches should be delivered, and by whom all dispatches should be sent off. Under his inspection, all deeds, acts, and records, should be made up for the perusal and approbation of the Governor-general and Council; and, in the subordinate settlements, of the Presidents and Councils. The Secretary, at the principal seat of Government, should have the duties of transmitting the letters of the Governor-general to the Directors and Secret Committee, and to the Presidents and Councils; and of receiving and communicating the dispatches or answers which may be received from either. Allowing for difference of circumstances, the duties of the Secretaries, at the subordinate Presidencies, must be of the same kind and extent. The Secretary, at the seat of government, should be allowed one or more Under-secretaries, with principal and subordinate clerks, (selected from

from the Company's covenanted servants) according as the extent of the business may require. These clerks ought to be in the nomination of the Governor-general or Presidents; subject, however, to confirmation in Britain.

THE salary of the Secretary ought to be fixed, and he ought to take the same oaths of fidelity, secrecy, and against receiving presents, as those which have been taken by the Governor-general, Presidents and Councils. If it be found that the Secretary, or his Subordinates, betray the trusts reposed in them, or receive bribes or presents, the Governor-general, and Presidents, ought to be vested with the power of instituting an enquiry into the charges which may be exhibited, and of sending the persons home, with the proofs, for trial, in his Majesty's courts of justice in Great Britain.

AT the seat of Government, it has already been hinted, that there should be, in the office of the Secretary, one or more Subordinate, or Under-secretaries; the duties of the first may be to manage that part of the public department which regards the native States; the correspondence with the subordinate Presidencies, and the making up the reports from the revenue, commercial and military departments. The duties of the second may consist in the management of that part of the public department which regards the European powers having interests in India, and the

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preparation of the dispatches for the Government at home. In the subordinate Presidencies, the whole of these duties might be assigned to one Under-secretary.

It might here also be suggested, that each of the Boards which already have been described, ought to have a particular officer, under the like conditions of fidelity, secrecy, and purity of conduct with the Secretaries, and that his duty should be to make up the reports of the particular Board to which he belongs, which, when signed by its President, should be transmitted to the Governor-general, or Presidents, and held as official records.

—Question whether the foreign Governments, should have the power to make temporary regulations for the internal administration of the Provinces.

HAVING thus marked out the Government, and administration which seem to be required for the mixed political and commercial interests of Great Britain, in India, a question of some political delicacy and difficulty presents itself: *How far would it be proper to vest the Governor-general and Council, or Presidents and Councils, with a subordinate power, to make regulations affecting the interests of the settlements committed to their charge, as events, and the exigencies of affairs might require?* That some such power must be authorized, the distance of India from Britain, and the diversified characters and interests of the natives, seem obviously to require. That the conferring of it in such a manner, as neither to allow of the possibility of its infringing on the rights of the natives, subjects of Britain, whom we are bound

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to protect by every tie of national honor, and by the faith of treaties, is obvious. That it ought not to encroach upon either the executive or legislative powers of this country, is not less so. To define its nature and limits, will call for the most cool discussion, and experimental wisdom of Parliament. It is submitted, therefore, to the consideration of the Legislature, whether it might not be proper to vest the Governor-general and Council with the power of making such rules and ordinances, particularly in matters of revenue, justice, and police, as events or exigencies may require. It being, at the same time, understood, that such regulations or ordinances are to be temporary only, and to be in force no longer than (agreeably to the preceding plan of transmitting dispatches) the pleasure of his Majesty, in Council, shall be known.

To the end that the King, in Council, may have the fullest information, upon a matter of such importance to the general interests of His empire, it ought to be understood, that, in such cases as will admit of delay, the proposed regulations are to be sent home, to receive the King's sanction. In such cases, again, where this delay might be injurious to the general interests of His dominions, that copies of the regulations should be sent home by the first opportunity, specifying the nature and object of the regulation which has been enacted; the reasons that have induced the Governor-general and Council to form it; and accompanied with the different opinions which have been given by the Members of Council on the subject. If the

Restric-
tions under
which this
power ought
to be placed.

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regulation has actually been in force, they ought to add an account of the effect which it may have had, during the time it has prevailed, that His Majesty may be able to form an opinion of the propriety and expediency of continuing it.

Restrictions to be laid on the executive government at home respecting it.

It may also be proper, that the Directors and Commissioners shall be bound (within fourteen days after receiving such dispatch) to lay the whole business before His Majesty, in Council, to be either confirmed or reversed by his authority. If it should be confirmed by the King, in Council, then the regulation is to be held as fixed and established, unless it shall, upon a future representation, be His pleasure, in Council, to disallow, or to abrogate it. If the affair should be of such magnitude as to call for the general wisdom of the Legislature, the Parliament may request His Majesty to vary, modify, or to annul it. In all of these cases, it is to be understood, that the regulation is to be in force till such time as the King's pleasure shall be known, or till orders, in consequence of such alterations, by Parliament, shall be received in India.

Degrees of it expedient in the subordinate Presidencies.

THE Presidents and Councils of Madras and Bombay ought, upon the same principles, to be vested with similar powers, with this distinction, that the regulation which they may think necessary or expedient to enact, shall, in the first instance, be proposed to the Governor-general and Council, who, after considering the case, may either authorize it or not, as they may apprehend it to be for the
general

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general interests of the settlements. If they shall authorize it, then the regulation is to be held to be in the same predicament as if it had originated with themselves. If they shall prohibit it, then, after the subordinate Presidency shall have received such prohibition, the regulation is to cease to be in force. In such cases the Governor-general should be obliged, with the first opportunity, to send home the whole case, with the reasons which have induced him and the Council to form their opinions; that the whole may come, in the manner which has already been described, before His Majesty in Council, or may become a subject for the deliberation of the Legislature.

It is, perhaps, unnecessary to repeat, and yet is proper distinctly to specify it, that the same kind of subordination which is proposed to be established for the government-general of Bengal, may be made the model which, allowing for different local circumstances, ought to be adopted in the Presidencies of Madras and Bombay.

HAVING thus marked out the kind of subordination which seems to be suited to the Asiatic subjects of Great Britain, we have next to ascertain the judicial, financial, and military powers required to perfect the establishment of it. Upon this interesting subject, certain leading circumstances will direct us. The servants of the Company and the licenced inhabitants will require the Laws and law courts to which they have been habituated to appeal in Europe, while the natives will look for the continuation of the

Constitution of the judicial, financial, and military powers required in the British dominions in India.

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HISTORICAL VIEW
OF PLANS,
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

CHAP. I.

SECT. II.

OF THE JUDICIAL POWER REQUIRED UNDER THE PRECED-
ING PLAN OF GOVERNMENT.

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IN every country the judicial power arises from the application of the simple precepts of justice, to the rights of life and property of the subjects which it comprehends; and in the history of every people, we discover these precepts mingled with religious opinions, and with the accidental events which have given a particular cast to their characters and manners. Hence it has always been difficult to alter, and impracticable totally to change courts of law.

Nature of the judicial power and circumstances with which its progress is uniformly blended.

THE laws which have prevailed in Hindoostan have been of two distinct descriptions; those of the Hindoos, and those of the Mahomedans: both of these species of laws were intimately blended with the religion of those two orders of people, so that an attempt to encroach on the one would be as much felt, as a violation of the other would be resisted.

Aspect of it in the Hindoo laws.

THE laws of the Hindoos, from Mr. Halhed's translation of them, appear to be a collection of simple maxims of justice, applicable to the objects of a primæval and original people. In practice, however, the judges seem to have been uniformly influenced by the rites and customs of their

CHAP. I. superstition, though their conduct must have been troubled by successive conquerors.

In the Mahomedan law.

UNDER the Mogul empire the principles of the Mahomedan law, taken from its relation to the Koran, have been explained by the sects into which the lawyers were divided. Mr. Hamilton, in his translation of the Hedaya, informs us, that the Mussulman, conquerors of India established, with their religion and form of government, rules of practice for their courts of justice; that though they in general made the Koran their rule of judgment in the conquered countries, yet that they allowed the Hindoos, in spiritual matters, where they alone were parties, to appeal to their own Pundits. The Hindoos thus enjoyed an indulgence with regard to their ancient courts, except in cases respecting property, in which a Mahomedan was a party. Here the decision always proceeded upon the Mahomedan law. This last circumstance may, perhaps, be considered as the source of the prevailing corruption of the Mahomedan law courts, in which the decision was generally the result of a bargain between the Magistrate and the party who could pay the highest bribe. These abuses, however, did not alter the spirit of the law, which, in its ostensible operation, continued to be invariable. In criminal cases, the Mahomedan courts alone decided; and, as has already been hinted, in cases of property where one of the parties was a Mussulman. Appeals, however, could be made to the Hindoo lawyers (for this class of people had no regular courts of justice)

in

in cases where the Mahomedan law had made no provision, or in which a Mahomedan had no interest. SECT. II.

IN Hindoostan several events occurred which materially affected the progress of the judicial power. When the Moguls entered upon their conquest, as well as after they had laid the foundations of their empire, they were animated with the strongest zeal for the propagation of their religion; and, among other advantages which they expected to derive from its becoming the established faith, in their new empire, were the introduction of laws, and of law courts, which were to be looked up to as perfect, because they were believed to be sacred. The nature and extent of the conquest, however, required that the military establishment should be large and permanent; and that the Emperor himself, as sovereign, should delegate, in the provinces, his *judicial* as well as his *military* powers. Hence the reason why that part of the law which regarded revenue, came to be placed under a particular officer (the Duan) who was made independent of the Governor of the province, remitted the produce of the revenues to the seat of the sovereignty, and was amenable only to the Emperor or to his vizier. And hence, too, the reason why the Governors of the provinces endeavoured to corrupt the civil and criminal courts; because this was the best method of being independent of the Duan, and a productive means of enriching themselves, during the uncertain period of their government. It could not, however, from the magnitude of the conquest, but happen, that some of the ancient

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Chiefs would be allowed to continue in their sovereignties, though they were now to be subjected to a species of feudal dependence, and payment of a quit-rent to a new master. No more of the Mahomedan institutions were introduced into these districts, than was sufficient to enable the Rajahs to raise that quantity of revenue which, in the first place, could afford the tribute to be paid to the Mogul; and, in the next place, enable them to support their own authority. Hence the ancient Hindoovee civil and criminal institutions remained in these districts, though modified by an intermixture of Mahomedan law, and by such events as gave rise to new decisions upon the spirit of that jurisprudence. One of the circumstances, which increased the degree in which the Mahomedan institutions prevailed, was the relation which, in all conquered countries, must subsist between police and revenue: the exercise of the one being constantly required to ensure the payment of the other.

—And during the period from the fall of the Mogul empire to the establishment of the British power in India.

SUCH, in general, seems to have been the situation of the Judicial Power during the vigor of the Mogul Government. The usurpers, who contributed to the fall of this empire, were either its officers, or Mahomedan soldiers of fortune; and as they had no idea of any other government but of one resembling the monarchy which they had overturned, they, of course, imitated it in their political arrangements. Like the Mogul, they had their Duans depending on them; and like him they made police subservient to the revenue laws; under them, as under the

Mogul,

Mogul, civil and criminal courts were used, as instruments for confirming the power of the new Sovereign, or for giving authority to the officers, to whom he entrusted the different portions of his territory.

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SUCH of the Rajahs as became Feudatories of these usurpers, continued the degree of Mahomedan Jurisprudence, which has already been shewn to have been introduced into their governments; while those of them, who became absolutely independent, continued nearly the same degree of it, as the most effectual means which they could employ, to obtain resources for supporting their sovereignty.

IN this situation, Great Britain found the judicial power; in the provinces which fell to it, not as an absolute conquest, but under treaties authorising the East-India Company to assume the rank of officers of the Mogul, or of allies, and partakers of power with native Princes and States.

*Progress of
the judicial
power under
the East-India
Company.*

THE events which attended our conquests and the establishment of our power, were of that kind, which prevented the Company's Officers and Governors from even thinking of innovations on the judicial power. It was time only, and the circumstances which necessarily occurred between conquerors directed by merchants, influenced chiefly by commercial ideas, that pointed out the expediency of introducing the laws of England, as a better means of regulating the judicial power, than the Mahomedan laws seemed to afford. Several circumstances contributed to favor this innovation,

CHAP. I. vation. Formerly, the Company's agents were dependents on the country powers, and obliged to purchase decisions in their law courts at a high price ; now, they were masters, and could direct these law courts in the manner of the chiefs from whom they had wrested the authority. Hence, one great source of the oppressions of which the natives complained, as well as of the vindication which the servants of the Company offered of their conduct, by saying, that it was agreeable to the established judicial procedure in the provinces.

—In their
ancient fac-
tories ;

ANTERIOR to the conquest, we have already seen, that Government had vested the Company with the powers of exercising civil, criminal, and martial law, in the seats of their trade ; that Mayor's Courts had been erected at their different Presidencies ; and that to these, they resorted, both in such cases as occurred between their own dependents, and in cases where the nature of the suit enabled them to bring the natives into court. It was, therefore, an obvious expedient with the Company, to extend this kind of judicial power over the provinces which had fallen to their arms. If the Hindoos had detested and execrated the Mogul jurisprudence, still they had been inured to it ; and if the Mahomedans had reluctantly admitted the English to participate in the sovereignty, still they had considered the share of it which they retained, as entitling them to preserve the law courts, that had originally marked their government, and to which they had been habituated to appeal. Such circumstances made the inhabitants in general reluctant to admit

SECT. II.

admit the change, and more disposed to value an evil which they knew, than to augur good of one which they could not comprehend. The English, besides, by assuming the character of officers of the Mogul, and supporters of the Nabobs, in whose names they administered justice, in the very attempt to alter the characters of the judicial power, were obviously counteracting the prejudices of their dependents and new subjects. We can, therefore, easily account for the slow degrees and difficulty with which their new judicial proceedings advanced; and why an intermixture of Mahomedan and English laws has been adopted in our Asiatic provinces.

WHEN the Supreme Court of Judicature was introduced, it was found calculated for the purposes of correcting defects in the practice of the Mayor's Courts (already known in the provinces), and of deciding all cases between British subjects, or those comprehended under that description of inhabitants. In those cases, however, in which the natives were parties, neither its procedure nor its decisions met their prejudices or their notions of law. Hence the origin of the regulations which were introduced in the law courts for the natives; and hence the changes on this subject, from one system to another, during the last thirty years.

—After the Supreme Court of Judicature was established.

IN 1772, Fouzdary Courts*, for the trial of criminals, were instituted in the seats of the collectors in the different provinces,

Fouzdary courts for criminal case, revived.

* "Fouzdar, the Chief Magistrate of a large district, who has charge of the police, and takes cognizance of all criminal matters; also a Commander of the soldiers.

CHAP. I.

provinces, who were directed to superintend the proceedings of the officers of these law courts; and ordered to see that the necessary witnesses were summoned and examined; and, in fine, to take care that the decisions were fair and impartial.

—Nizamut
Adawlet insti-
tuted.

THAT this plan might gradually ripen into a more perfect practice, a superior court of criminal jurisdiction was established, under the denomination of *Nizamut Adawlet*†, for revising the proceedings of the provincial criminal courts; while a similar controul over this court was lodged in the chief and council of Moorshedabad, as has already been specified, to have been vested in the collectors, over the provincial courts. This last measure was soon found to be inadequate, and was abolished. The Nizamut Adawlut, of consequence, was removed to Calcutta, and placed under the immediate charge of a Darogha§, subject to the controul of the President and the Council, who, by this innovation, were enabled to revise the sentences of all the criminal courts in capital cases.

Sometimes it is one who receives the rents from the Zemindars, and accounts with the Government for them. The district of lands under his jurisdiction, is called Chuckla.”

INDIAN VOCABULARY.

† “Nizamut, the office of a Nazim; that is, the first officer of a province, in whose hands the executive power is lodged, usually styled the Nabob.

“Adawlet, a Court of Judicature for the trial of causes respecting property.”

INDIAN VOCABULARY.

§ “Darogha, a superintendent.”

MR. GLADWIN.

THIS

THIS arrangement, with a few alterations, continued till 1775, when the Nizamut Adawlut was again established at Moorshedabad, under the superintendence of the Naib Nazim*, by whom Fouzdars were appointed in the several districts for apprehending and bringing to trial all offenders against the public peace.

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Changes made in the constitution of the Nizamut Adawlut, in 1775—

THIS system was adhered to till 1781, when the establishments of Fouzdars and Tannadars† were abolished, and in lieu of them, the civil judges, being Company's covenanted servants, were invested with power, as magistrates, of apprehending dekoits§, and persons charged with the commission of wrongs or crimes, or acts of violence, within their respective jurisdictions, and of sending them for trial to the nearest Fouzdary Court, remaining upon its ancient establishment. To enable Government to watch over this mode of administering justice, there was established, under the controul of the Governor-general, a separate branch of this department, at the Presidency, to receive monthly returns of the sentences passed in the Fouzdary courts, with a Remembrancer, whose duty it was to act as assistant to the Governor-general in discharging this important trust.

* Naib Nazim, Deputy Nazim.

† "Tannadar, a Commander of a small fort."

§ "Decoyt, a Robber."

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It was soon, however, found, that this plan was insufficient for the purposes intended by it. The authority of the English magistrate was, on many occasions, evaded by the Zemindars, and principal land-holders. This obliged these magistrates to deliver over the persons, charged with breaches of the peace, to the Darogah of the Fouzdary court, where, for petty crimes, they often remained in prison for years, and where, to obtain relief, they were under the necessity of using every means to evade justice, and to escape from punishment.

—in 1787—

To remedy this evil, in 1787, the magistrates were vested with authority, to hear and decide on petty cases of affray, such as giving abusive names, and the like; and to inflict corporal punishments; or impose fines on the offenders. To render the authority of these magistrates more complete, they were made collectors of the revenues in their respective districts.

—subsequent
changes, and
new constitu-
tion of this
court.

It was soon found, from the reports of these collectors to the Governor-general and Council, that even this improvement was insufficient, and that courts of circuit were required to insure a more prompt and impartial administration of criminal law. In the first place, the Governor-general resumed the superintendence of the administration of criminal justice; removed the Nizamut Adawlut, or chief criminal court, from Moorshedabad to Calcutta, directing that it should consist of the Governor-general and Members of the Supreme Council, assisted by the Cauzy ul

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Cozaat, or head Cauzy* of the provinces, and two Mufties†; That it should meet once a week, or oftener, as business should require; and exercise all the powers lately vested in the Naib Nazim, as superintendent of the Nizamut Adawlut; That it should leave the declaration of the law, as applicable to the circumstances of the case, to the Cauzy ul Cozaat and the Mufties; That it should have a Register, or an officer to direct the executive business of the Court, who, with the lawyers, were to take the oaths, that they would decide with impartiality and justice. The decisions of this court were to be regulated by the Mahomedan law, according to the doctrine of Yuzef and Mohummud. Persian copies of the proceedings in all criminal cases, tried by the courts of circuit, were to be referred to this court for decision. When it passed final sentence, a copy of this sentence, with a signed warrant, certifying the manner in which it was to be executed, was sent to the judges of the court of circuit, that they might see it put into execution.

In the next place, courts of circuit were instituted for the trial of criminal cases, three for the province of Bengal, and one for Bahar, viz. courts at Calcutta, Moorshedabad, Dacca, and Patna. Each court of circuit was to be superintended by two covenanted servants of the Company, assisted by a Cauzi and Mufti. The judges were to take the oath, that they

—Establishment of Courts of Circuit—

* “Cauzy or Kazzi, a Mahomedan Judge.”

† “Mufty, a High Priest. It signifies properly an Interpreter of the Law. He is under the Cauzy.”

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would decide with integrity and impartiality, and were to have a Register who should take the same oath. The Cauzies and Mufties were to be in the nomination of the Governor-general in Council, to take the most solemn oath, before the Nizamut Adawlut, and to repeat the same, every six months, in the circuit court, viz. on the 1st of January, and 1st of July. These circuit courts were to be held twice in their respective divisions each year, setting out on the 1st of March and 1st of October; and, on their return to Moorshedabad, Dacca, and Patna, to proceed to try all persons committed by the Magistrates of these cities. In the charge against the prisoner, his confession was to be taken with caution. The Cauzy and Mufti were to explain the futwah or law, as applicable to the circumstances of the case, and to attest their opinions with their seals and signatures. The judges were to pass sentence, in the terms of the futwah, and to issue their warrant to the magistrate, for the same to be carried into execution, without delay, except in cases where death or perpetual imprisonment were to be inflicted; which, if the judges should see cause to disapprove, either on the ground of the trial, or of the futwah, the whole was to be reported to the Nizamut Adawlut; the final sentence of which, was to be awaited for, before the futwah could be carried into effect. The doctrine of Yuzef and Mohummud, in respect to trials for murder, was to be the general rule, for the officers of the court; and the doctrine of Aboo Huneefah, which referred to the instrument with which the crime was committed, and not to the intention, was to be no longer in force. The relations, in future, were to be de-
barred

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barred from pardoning the offender. The judges were to report to the Nizamut Adawlut every instance in which the Cauzies or Mufties had been guilty of misconduct in the discharge of their duty. The judges were to visit the goals, and to see that the treatment which the prisoners received was proper, and to Report to the Nizamut Adawlut the instances of misconduct in magistrates; they were also to report to it, such propositions as might appear to them calculated for the better regulation of the trials of prisoners, and for the improvement of the police of the country. In cases where they should be of different opinions on these subjects, the senior judge was to have the casting vote.

In the last place, the Collectors in the different districts, were to be constituted magistrates within the limits of their collectorship. The substance of the regulations laid down for their conduct was, as follows: the jurisdiction of the magistrate was to extend over all places within the limits of his collectorship, excepting those situated within the limits of the cities of Moorshedabad, Patna, Dacca, and Calcutta; the three first of which were to be allowed distinct jurisdictions, the last was to be subject to the supreme court. The magistrate was to take an oath, that he would act with impartiality and integrity. His duties were to be, to apprehend murderers, robbers, thieves, housebreakers, and to commit them to take their trial before the court of circuit: He was to issue his warrant for apprehending persons charged with these crimes, upon information being made to him, on oath and after examining the party, either to discharge him, or

—and of
courts of
magistracy;

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to commit him for trial : He was not to admit to bail, persons, against whom there was probable evidence of murder, robbery, theft, and housebreaking : He was to try petty offences, such as abusive language, affrays, &c. and, after proof, to inflict a corporal punishment, not exceeding fifteen rattans, or imprisonment, not exceeding the term of fifteen days. If the charge should be found groundless, he was to punish the accuser, in the preceeding proportions, or to impose upon him a fine of fifty rupees, where the party should neither be a Zemindar, Chowdrie, or Talookdar,* paying a revenue of 10,000 rupees annually, nor a possessor of ayma land,† paying a rent to Government of 500 rupees per annum, nor of free land of the value of 1000 rupees : but this fine was not to exceed 200 rupees, and the exact sum was to be left to the discretion of the magistrate. The magistrate was also to give public notice to the Cauzy and Canongoes‡ of each Pergunnah, in his district, of the intended arrival of the court of circuit at the station ; to deliver to the judge of it, a list of all the persons committed to prison, or held in bail, for trial, with copies of the charge preferred against them, the list of witnesses, &c. and after sentence should be passed, upon receiving a warrant

* Zemindar, a person who holds a tract of land immediately of Government, on condition of paying the rent of it. He is first in rank among the landholders. Chowdrie, an inferior Zemindar or landholder, Talookdar, the proprietor of a small zemindary, who pays his rent sometimes to Government, and sometimes to the Zemindar or Chowdrie.

† Ayma Land. Land granted by the King, in some places subject to a small quit-rent. It is hereditary.

‡ Canongoe, a person sent by the Nabob to survey the districts granted to the Company. Also Register of the Suba or Province, who holds his commission from the Emperor. Literally, a speaker of the law.

from

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from the judges of the court of circuit, to see it carried into execution: He was also to submit to the judges of the courts of justice, lists of all persons whom he might have apprehended and discharged: He was to visit the goals, at least, once a month, and to see that separate apartments were assigned to prisoners under sentence of death; one kind of apartment was to be allowed to persons sentenced to imprisonment by the court of circuit; another, to persons committed to take their trial before it; and a third, to persons under sentence for petty offences: He was in the event of any European British subject, becoming amenable to justice, to send him to be tried in the supreme court of judicature, whither he was to repair himself, and take measures, or give security for the attendance of the witnesses in the trial. In cases where the witnesses, from inability or poverty, should not be able to defray the charge of the journey, he was to report the same to the Nizamut Adawlut for its determination. All Europeans, not British subjects (French subjects excepted, who were to be treated as British subjects) were to be equally amenable with the natives to him within his district, and to be tried in the court of circuit. When it should become necessary to commit a Zemindar, or Landholder, he was to notify the same to the Governor-general. When the court of circuit should direct a pecuniary compensation to a party injured, the magistrate was to see the decree carried into execution; all complaints, with the orders upon them, were to be recorded in the magistrates office, both in English and Persian, and monthly to be forwarded to the Nizamut Adawlut; returns were to be made specifying the names of the persons apprehended, and date of their apprehension, with

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lists of prisoners, confined under sentence; of persons on whom sentence had been passed in the court of circuit; and of persons tried and their causes referred to the Nizamut Adawlut*.

Existing defects in the judicial power in British India,

It appears from this history of the judicial power in the center of the British provinces (and allowing for the difference of situation and circumstances of our settlements on the Coromandel coast, the same observation may be made on judicial procedure in them) that the experiments which had hitherto been made, did not produce the beneficial effects which were intended by them; and the reasons are obvious.

—Arising from the constitution of the courts of justice,

In the first place, the law of the country, as existing during the period of the Mogul power, was mixed in its sources, and rendered obscure by the interpretation of the lawyers. Though the Mahomedan jurisprudence was appealed to in the law courts which the Moguls instituted, yet it was necessary, from the nature of the cases on which they decided, (to wit; the rights of the landholders, many of whom were Hindoos, and the quantum of revenue to be paid in the progression from the Peon to the Farmer and to the Zemindar) to give some attention to the original tenures by which subjects were allowed to hold their property, as well as to the circumstances attending the new duties which were imposed upon them. This created an intermixture of Hindovee usages, and of Mahomedan

* See Regulations for the Administration of justice in the Fouzdary, or Criminal Courts. Calcutta, 1791. Page 18, 21.

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jurisdiction: many, too, of the Rajahs of an inferior order were allowed to retain the usages in their different districts; of consequence their ancient practice remained in force, while they copied several of the forms of the Mahomedan law courts, particularly for the purposes of police, and for levying the duties which they paid as quit-rents.

IN the next place, after the fall of the empire, the distinction between the Duan's courts and the Nabob's, was by no means preserved. The necessities of the new sovereign (to say nothing of the rapacity of a low adventurer exercising power) led to great irregularity in jurisdiction of every kind; so that when Great-Britain came to be in possession of the provinces, it found the law courts of the natives highly corrupted, and the principles to which they appealed so involved in commentaries, as to be scarcely intelligible, particularly to foreigners. Of this we have a striking proof in the reports lately made respecting the state of law courts in Bengal, where it has taken not less than thirty years to decide on the question, whether, in trials for murder, the doctrine of Yuzef and Mohummud, who made the intention the criterion of guilt, or whether the doctrine of Aboo Huneefah, who made the manner or instruments with which the crime was committed, the rule for determining the punishment, was the doctrine in the futwah or law?

—From the obscurity in which the principles of the law courts have been involved.

IN the third place, there existed an original defect in the institution of law courts in Hindoostan, which, in itself, must

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—From the courts of civil and criminal jurisdiction, being incorporated with those of revenue and of police.

have rendered them unequal to the purposes for which they were intended, and open to great corruption, viz. That the civil and criminal laws were intermixed, and that the revenue laws and usages for police were blended with both, and with each other. Wherever this has taken place the rights of property are undefined, crimes may escape punishment, and breaches of the peace may become frequent. It is owing to the defined limits between the civil and the criminal laws of England, that they so nearly approach to the perfection of the law of Nature; and it is owing to the revenue laws being distinct from both, and the police subordinate to the whole, that the liberties and safety of the subject are so exactly ascertained and generally understood.

—From the attempts to engraft the English jurisprudence on that of Hindoostan.

IN the last place, the experiments which have been made to engraft the laws and practice in England upon the jurisdictions in India have proved to us, that the most laudable efforts which we have been able to make still have not answered the beneficial ends they were intended to produce, though the Supreme Court of Judicature has been found adequate to all the purposes of protecting British subjects, or those of the inhabitants who are included in that description: hence the shiftings from foudary courts, in different districts, under collectors who were Company's covenanted servants, and the establishment of the Nizamut Adawlut at Moorshedabad, under the controul of the Chief and Council of that city: hence the removal of

it

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it to Calcutta, under the charge of a Darogah, subject to the controul of the President and Council : hence its being again established at Moorsshedabad, under the superintendence of the Naib Nazim, by whom Fouzdars were appointed in the several districts ; and hence the administration of it being again brought under the controul of the Governor-general, and the establishment of collectors as magistrates within their respective districts : hence the recent regulations which have fixed the Nizamut Adawlut at Calcutta, under the Governor-general and Council, &c. and hence the institution of judges of circuit and magistrates of districts. All thus has been experiment, not yet sufficiently full to allow of any other opinion, but that we must go on gradually to improve on the courts of justice known in that country, till time and habits shall give them such degree of perfection, as the prejudices and manners of the people will admit. Though the attempt to do more might be perfectly agreeable to the liberality of the British nation, it would only tend to diminish, instead of fostering the allegiance and attachments of the natives, looking up for our protection.

Two obvious measures seem to present themselves in forming plans for improving the judicial power in our Asiatic provinces ; first, that the English law should be continued as the rule of conduct for British subjects, or for those who have been included in that description ; next, that the distinct objects of law, viz. property, life, reve-

Measures
calculated to
remove these
defects.

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nue, and the preservation of the public peace or police should direct in an arrangement of the native law courts. The abuses in the law courts of the country might thus gradually be done away, viz. the intermixture of civil and criminal cases, with cases respecting revenue, and the preservation of police. In police the magistrate has to prevent or detect irregularities or crimes, the judges of the preceding descriptions try and punish them.

General
method of ap-
plying them.

SUPPOSING these measures admitted, we may, on the basis of them, suggest some general propositions, calculated to establish, first, the judicial power, as it is intended to protect the subjects of Great Britain in India, and such of the inhabitants as have been brought under that description; and next, propositions which it may be expedient to adopt for preserving to the natives the gradations and forms of their own law courts, in the manner they have been new modelling by the humane and equitable jurisprudence of Great Britain. In bringing forward both of these kinds of propositions, we must keep in view the distinct objects of law courts, viz. *property*, *life*, and *revenue*; and conclude, by treating of *police*, as distinguished in its nature from law, though the only means of rendering law courts useful and respected, and the government which establishes them, the source of protection to the natives of India.

UPON these principles of arrangement, the following propositions are submitted on the subject of the law courts intended to protect the property and lives of the inhabitants of our Indian provinces; that is, of those who have been comprehended in the general description of British subjects.

SECT. II.

Propositions respecting the authority of the judicial power.

FIRST. It is proposed, to continue the Supreme Court of Judicature; but, by degrees, more clearly to define the limits of its proceedings, when acting in its civil and criminal capacities; and when acting in aid of the Governors and Councils judging of matters of revenue. That, as at present, all British subjects, whether Armenians or French, (the subjects of France, by the treaty concluded at Versailles in 1787, were included in that description) should be under its protection.

Supreme Court of Judicature to be continued, but the limits of its civil, criminal, and revenue jurisdiction, to be distinctly ascertained.

SECOND. It is proposed to continue the subordinate courts of justice, which, at present, exist in the British settlements, for trying lesser cases by the English law; and that, from these courts, appeals may be made to the supreme court, in matters of property, as in England; but not in cases where parties have been found guilty of petty larcenies, in the manner to be hereafter specified.

Subordinate courts, with the power of appeal to remain.

THIRD. It is proposed, that the Supreme Court of Judicature, should be more fully vested with the powers of acting as a Court of Admiralty; or the Governor-general, of appointing Admiralty Courts, upon the same principles with

Courts of Admiralty to be vested with more enlarged powers.

CHAP. I. those in England, and in the manner to be hereafter pointed out.

THE natural situation of the British provinces presents us with an extent of sea coast, as well as of navigable rivers, and the commerce with these provinces, whether European or internal, requires a Court of Admiralty: it might be proper therefore to establish one to take cognizance of all cases at each of the Presidencies. The objects of these courts ought to be defined, viz. to judge and try cases of murder, piracy, felony, crimes, trespasses, and misdemeanors committed on the seas, within the Company's limits between the Streights of Magellan and the Cape of Good Hope: and also, to try all pleas of contracts, debts, exchanges of policies of insurance, accounts, charter-party agreements, loading of ships, contracts relative to freights or ships hired, transport money, maritime usury, or bottomry; and, in general, all trespasses, injuries, complaints, demands, and matters, whether civil or maritime, between merchants, owners, or proprietors of ships employed within the Company's limits, or done on public rivers, in ports, or harbours, belonging to their territories; and, in general, to subject the parties to the same fines and punishments, as in England.

Constitution
and station of
the Supreme
Court of Ju-
dicature.

FOURTH: It is proposed, that the Supreme Court of Judicature should be stationary at Calcutta; and that it should consist of a Chief Judge and four puisne Judges; the whole to be in the appointment of His Majesty, with adequate

adequate salaries; to take an oath, &c. as specified in the Act of the thirteenth of the King and subsequent Acts, establishing their jurisdiction; and to be liable, upon charges exhibited before the Governor and Council of their having acted with partiality or corruption, to be sent home for trial, before the Committee of Parliament instituted for the trial of Indian delinquents.

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FIFTH. It may be expedient, that the line of proceedings in the Supreme Court, acting either in its civil or criminal capacity, be declared to be as in England, when the parties are British subjects; but to vary, when one of the parties is a native, or when both parties are natives and appeal to it. In the former case, the laws of England ought to be the rule of judgment, but the court to be obliged to call in a certain number of the judges of the native courts, to interpret the procedure to the natives, with the reasons of the decision. In the latter case, after the trial has proceeded upon the same forms, it may be left with them to accept or not, of the protection of the British laws; if one or both of the parties should decline this protection, then the court ought to be vested with the power of pledging itself publicly, that, in so far as the case will admit, the parties, as they have appealed to the general justice of the Supreme Court, should have a decision agreeable to their own laws, as interpreted by their own judges, who shall be present to declare what their decision would have been; but that it should be pronounced by the court itself, to impress

Procedure in the Supreme Court of Judicature, acting in its civil and criminal capacities.

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parties of this description with proper ideas of the authority as well as of the purity of the Court.

IN the supreme court there should be, as at present, an Advocate-general of the Company, whose province it is to act for the Company's interests, whether the court is sitting as a civil or criminal court, or assisting as a court of revenue, or judging in cases that come under the general description of treason or of misdemeanor, in which the Public may be interested. It ought, however, to be understood, that this officer should have no power to institute a suit, unless he should previously have received a warrant for this effect, under the hand and seal of the Governor-general, or, in his absence, of the senior member of council, acting as Governor-general; and that the application for such warrants, with the reasons for granting them, be always recorded as part of the public transactions.

Parties who may seek judgment in the supreme court.

SIXTH. It is proposed, that, as at present, all cases between British subjects, or others who have been admitted under that description, or of natives appealing, in the first instance to the protection of the British laws, should be triable only in the supreme court. It being however understood, that if the natives, being parties, should have first appealed to the courts in which their own laws are considered in whole, or in part, to be the rule of judgment, then they must abide by the decisions of those native courts.

SEVENTH.

SEVENTH. It is proposed, to establish with more extensive jurisdiction, than it at present seems to possess, a Court of Requests; that is, a court for trying lesser cases of a civil kind, and with the power to act for the relief of insolvent debtors. As a court of requests, it may retain its present constitution; but, as it frequently happens, that debtors, for petty sums, have been confined to prison for a long time, by the decree of this court; and as the nature of the climate renders such confinement almost equivalent to a condemnation to death, it might be proper that the supreme court should, annually, in the month of January, require an alphabetical list of the prisoners for debt, from the preceding July, with the names of the prosecutors who have detained them in prison; that the gaoler of the different prisons should take an oath, that the lists of the prisoners are correct; that the debtors should have the privilege of making application to the court for being delivered from prison, and, in their petition to this effect, specify their readiness to make oath, as to the amount of their real, or personal property in India, Great Britain, Ireland, or elsewhere; a schedule of which should be delivered to the supreme court, a certain number of days previous to the 7th of January, to be published in the Gazette, or authorized paper at the seat of Government, that all the creditors of the prisoner may have due notice of the application, and may make objections, if any they have that are reasonable or lawful, against the liberation of the said debtor, and that these objections should

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Establishment
of a court of
requests.

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be judged of by the court; that the court should then order a conveyance of the estates or effects of the prisoner, as vested in their prothonotary, to be divided and paid to the creditor or creditors of the prisoner. It should be understood that the creditors may institute any objections of a valid or legal nature against such dividends before the supreme court, who should have power to delay the sale of the effects or the estates, or to new arrange the dividends, in the manner that may appear to them to be just and legal. It is also to be understood, that the debtors so petitioning, if they should be intitled to any copyhold or customary estate in Great Britain, Ireland, or elsewhere, do assign over their rights thereto, to the prothonotary of the court, to the full amount of their debt; such assignment, however, ought not to preclude the payment of any mortgages that may already have been legally made upon the said estates. And as it may frequently happen, that the gaolers or officers of court may be liable to corruption, either by receiving bribes from the debtors or the creditors, it will be necessary to fix the fee due to them, at a specified moderate sum, to be paid by order of the court, before the dividend should take place; the fee of the gaoler not to exceed one rupee, and that of the other officers in proportion; and that upon breach of trust, or upon extortion of any description, either from the debtor or the creditor, they be made liable to the penalties for perjury, and to such fines as the supreme court may think it necessary to levy for preventing such offences. When an order of court shall have discharged such debtors, any estate or property which may accrue to them within

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three years after their discharge, ought to be made liable for the amount of the debt; it being, however, understood, that no persons, who may have any share in these estates, shall be liable to have their proportion affected by this demand. And as the distressing of such discharged debtors might have the effect of driving persons, exercising useful arts, out of the British provinces into the provinces of the native states, or factories of the European powers, it ought to be established, that no suit can be instituted against them, till after petition to the Supreme Court, and with proofs and reasons for presenting it, it shall appear that no fraud is intended. The court upon being satisfied on this point, may issue its warrant, authorizing the suit to be commenced.

HAVING thus pointed out the establishment of the supreme court of justice, in so far as it is intended to act for the protection of British subjects, it will next be proper to detail the gradation of courts, where the law must be mixed, by taking principles from the Mahomedan institutions and forms, and improving on them (as much as the nature of the case will admit) by the intervention of the government of Great Britain and the application of its milder laws and practice.

Establishment of courts for the natives, subjects of Great Britain.

ON this subject, it is to be understood, that the parties are natives and not such as can, in any respect, be comprehended within the preceding description of British sub-

Natives subjects of Great Britain defined.

CHAP. I. jects; and that all Europeans residing within the British provinces (the French subjects only who by the treaty 1787 are to be held as British subjects, excepted) should be considered as natives, and subject to the mixed jurisdiction of the courts of law, established by the joint authority of Great Britain and of the native Princes its allies and dependents.

The Mahomedan law subject to modifications by the Governor-general and Council, to be the rule of conduct in the native courts.

FIRST. It is proposed, that the Mahomedan law shall, in general, be held to be the rule of conduct for all the authorized native courts; but subject to such modifications and improvements as the Governor-general and Council may, upon the application of the native judges and lawyers, think it expedient to adopt and authorize; such as the doctrine of Yuzef and Mohummud in all trials for murder; and the debarring the relations of the prosecutor from pardoning the offender. These improvements, however, must be introduced agreeably to the preceding plan of government, in the form of regulations, and be matters of approbation or disallowance in England.

The Nizamut Adawlut to be stationary at the Presidencies, with its constitution and powers.

SECOND. It is proposed, that the Nizamut Adawlut should be established at Calcutta; and, allowing for differences of circumstances, at the residencies of the Governors and Councils in the subordinate presidencies: that, at Calcutta, it should consist of the Governor-general and Members of the Supreme Council, assisted by the Cauzy ul Cozaat, or head Cauzy of the provinces, and two Mufties:

that

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that it should be vested with all the powers held by the Naib Nazim, or superintendent of the Nizamut Adawlut; but that in the declaration of the law, as applicable to the circumstances of the case, the Cauzy ul Cozaat, and the Mufties, shall pronounce agreeably to former practice: that the court do meet once in every week, or as often as the state of business shall require; and that a regular diary be kept of all its proceedings: that the Cauzy ul Cozaat and the Mufties, (after the Governor-general and Council have taken the oaths) should also take the most solemn oaths prescribed by their religion, to administer justice. As perjury is, in many cases, an expiable crime by the Mahomedan institutions, the oath should be of that kind which is held to be inexpiable, and the forms in taking it should be repeated every six months, publicly and in open court, that the impressions from the obligation may not only be made the most strong that is possible, upon the minds of these judges themselves, but in the opinion of spectators. The oath, on entering on the office to be as follows: “ I Cauzy (or Mufty) of the court of circuit for the division of solemnly swear, that I will truly and faithfully perform the duties of Cauzy (or Mufty) of this court, according to the best of my knowledge and ability; and that I will not receive, directly or indirectly, any present or nuzzer, either in money or in effects of any kind, from any party in any suit or prosecution, or from any person whomsoever, on account of any suit or prosecution, to be instituted, or which may be depending, or has been

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decided

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decided in the court of circuit of which I am Cauzy (or Mufty) nor will I directly or indirectly derive any profit from my office, except such as the orders of Government do or may authorize me to receive." The oath at the expiration of every six months to be as follows:

" I Cauzy (or Mufty) of the court of circuit for the division of solemnly swear, that from the to the I have truly and faithfully executed the duties of Cauzy (or Mufty) of this court, according to the best of my knowledge and ability; and that I have not received, directly or indirectly, any present or nuzzer, either in money or in effects of any kind, from any party in any suit or prosecution, or from any person whomsoever, on account of any suit or prosecution, which has been, or is to be instituted, or is depending, or has been decided in the court of circuit of which I am Cauzy (or Mufty) nor have I directly or indirectly derived any profit from my office, except such as the orders of Government have authorized me to receive."

To have a
Register, or
assistant officer
of court.

IN order to conduct the business of the court with effect, it may be necessary to appoint a Register, with the official appellation of Register to the court of Nizamut Adawlut; and that he take similar oaths of fidelity, and of integrity in the discharge of his duties with the Cauzy ul Cozaat and the two Mufties. It will be expedient also to enact, that the Cauzy ul Cozaat and the Mufties, be required to meet at the office of the Register three times in every week,

or

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or oftener, if the state of business shall require it; and that the Register submit to them the Persian copy of the proceedings, in all trials, which may come by appeal, from the inferior courts, to be immediately specified; that, after considering the same, they should give in writing, at the office of the Register, their opinion, whether the futwah or sentence of the law which has been appealed from, is consistent with the evidence, and conformable to the Mahomedan law, as modified and improved on, in the manner pointed out in the preceding proposition.

AFTER this progress has been gone through, it should be the duty of the Register to lay the result before the Nizamut Adawlut at their next meeting, that it may pronounce, or pass a final decree upon the case; the Register is then, within three days after passing such degree, or sentence, (or earlier, if the state of business will allow) to transmit a copy, attested with his official signature, and under the seal of the Nizamut Adawlut, to the judges of the court of circuit, who are forthwith to issue a warrant to the magistrate of the district, from which the case has come, to see that the sentence be carried into execution. The magistrate is to be bound to return the warrant to the court of circuit, with an endorsement, attested by his official seal and signature, verifying the manner in which the sentence has been executed, and the judges of circuit are to forward this endorsement, with the warrant, to the Nizamut Adawlut.

Duties of the
Register.

CHAP. I. IT must frequently however happen, in the distribution of justice within the limits immediately under the jurisdiction of the Nizamut Adawlut, that cases may be brought before it in the first instance. In this event, the Cauzy-ul Cozaat and the Mufties, assisted by the Register, ought to be empowered to take the evidence, in presence of one of the European members of the Nizamut Adawlut, then to declare, under their signatures and seals, what the law is, as applicable to the case, and to report the same to the court, at their first meeting, for its decision.

Jurisdiction of the Nizamut Adawlut, as a civil court.

THIRD. It is proposed, to explain more fully the capacities, in which the Nizamut Adawlut may act, as a civil and as a criminal court. When acting as a civil court, and judging in matters of property (the sole subject for the judgment of such a court) the Mahomedan law under the preceding restrictions, and pronounced on in the preceding manner, should be the rule of conduct. It being, at the same time, understood, that the application of this law must vary, if one of the parties should be a native, and another included in the preceding description of British subjects. In a case of this last kind, it will become necessary to advert to the manner, in which the property litigated is claimed, by what we term the plaintiff; and detained, by what we term the defendant. If it is land, or hereditaments which have been conveyed by the tenures understood in the Mahomedan law, then, that law must be held for

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as the rule of judgment. The same principle will apply to obligations or bonds. If a British subject has acquired his property by the established law of the country, then he can only rest his complaint or his defence upon that law. If, on the other hand, he has acquired it according to the forms prescribed by the law of England, the case will naturally be referred to the supreme court of judicature for its decision.

WHEN the Nizamut Adawlut acts as a criminal court, if the party accused shall be a native (agreeably to the description given of the inhabitants, to be included under that term) then the Mahomedan law, with the regulations which have been pointed out, should become the rule of trial and of judgment. It is however, to be understood, that though the Cauzy-ul-Cozaat and Mufties are to give their opinions on the law and on the evidence, yet that the decision or sentence should be pronounced by the president of the court, to impress not only the parties, but the native judges who have directed the forms of the trial and interpreted the law, with ideas of the authority, as well as purity of the British Government. In this case too it might be proper to enact, that the Register of the court repeat the decision or sentence, explain it to the parties, and, (though all ideas of torture or cruelty which formerly prevailed in the country should be exploded) yet that the execution of the criminal should always be in conformity to the customs of the Mahomedans, if he be a Mahomedan; and according to the

Jurisdiction of the Nizamut Adawlut, when acting as a criminal court.

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customs of the Hindoos, if he be of their religion. It has frequently happened, from not giving due weight to this circumstance, that the spectators, instead of having the proper impresson made upon them, on seeing a criminal punished, have, on the contrary, been so offended at the manner in which he was put to death, that, forgetting his crime, and the defence of their rights by the sanctions of the law, they have felt their religious prejudices insulted, and themselves disgraced.

Jurisdiction
and constitu-
tion of the
Duan's court,
or court of
revenue;—

FOURTH. It is proposed to separate, as much as the nature of our acquisitions will allow, the jurisdiction required in matters of revenue, from that which has been pointed out as proper in civil and in criminal cases. It was, perhaps, one of the greatest defects in the Mogul government (though it was one inseparable from the nature of their conquest) that they not only blended the regulations by which they levied duties with their civil and criminal laws, but that they gave to the collectors of the revenue, in many instances, the power of acting as civil and criminal magistrates: the consequences have been, that from the Duan, down to the Zemindar and Chowdrie, opportunities for oppression were frequent,

—Under the
East-India
Company
when they
first obtained
the Duannce.

WHEN the East-India Company were vested with the office of Duan, that is, with the office of apportioning and levying the duties, whether rents of lands or imposts on trade, they found it impossible, from being

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strangers to the customs of the country, to act in any other way than by Deputies or Naib Duans. The consequences were, that these Deputies, presuming upon the ignorance of their new masters, introduced a series of oppressions, and not only themselves practised them, but allowed their lowest subordinate officers to do the same. As there was no means of redress, the Naib Duan himself being the judge before whom the complaint was competent, he had it in his power to oppress the natives, who therefore sought in evading payment of revenue a more probable advantage than they could expect to derive from an appeal to the law. It may easily be supposed, that the Naib Duan and his officers would find out effectual means, in presents and bribes, of preventing the Company's servants from making complaints to the Governor and Council, who now were the real Duans; and that when the complaints of the natives at last reached them, the blame would be thrown from the Company's servants upon the Naib Duan and his officers, who either were to be removed from their stations, or to be continued in them, because they could give more valuable presents or larger bribes.

It may therefore be expedient in all matters of revenue, that the Governor-general and Council, assisted by a certain number of native judges and officers, should act as a supreme court of revenue; that the ancient revenue laws, corrected and regulated (in the manner which has already been pointed out for the improvement of the civil and criminal laws) should be formed into a sys-

Remedies
suggested for
improving it.

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tem, and held to be the rule of judgment in the Court; that it should be competent for this court either to judge immediately of cases of revenue within the limits of the seat of government, or of appeals from the Residencies of the different collectors. This arrangement would have the most manifest advantages: it would prevent the Naib Duan, or his substitutes, from oppressing the people; it would prevent the Company's servants from corrupting or being corrupted by the native collectors who act under them; and it would obviate the otherwise almost insurmountable objection against the Company's servants officiating as judges of districts, or magistrates of police, at the same time that they were collectors of revenue. It seems, indeed, to be hardly possible, by any other means, to root out the inherent evil in the Mogul system of government (and no other plan seems to be practicable by us), of making the collector of revenue a judge either of life or of property. Though this arrangement refers to the Bengal provinces, it may be introduced into our possessions on the Coromandel coast, and, more easily still, into the Northern Circars.

Constitution and jurisdiction of the courts of circuit,

FIFTH. It is proposed to establish courts of circuit upon the same principles with the supreme court, viz. courts which shall act in the distinct capacities of civil and criminal: that for the Bengal provinces, the circuits should be four, three for the province of Bengal, and one for the province of Bahar. The Bengal divisions to be denominated the courts of circuit for the divisions of Calcutta,

Moor-

Moorsshedabad and Dacca : that for the province of Bahar, SECT. II.
the court of circuit for the division of Patna.

THE Calcutta division might comprehend the districts under the collectors of Nuddea, Berbhoom, Ramghur (those in Bahar excepted), Burdwan, Midnapore, the Salt Districts, the Twenty-four Pergunnahs, Jeffore, and the districts under the collector of the town of Calcutta, not within the jurisdiction of the supreme court of judicature.

Limits of
their jurisdic-
tion.

THE Moorsshedabad division might comprehend the city of Moorsshedabad, and the districts under the collectors of Moorsshedabad, Boglepore, Rajeshahee, Purneah, Dinagepore, Rungpore, and the Commissioner at Cooch-Bahar, exclusive of the independent territories of the Rajah of Cooch-Bahar.

THE Dacca division might comprehend the city of Dacca and the districts under the collectors of Sylhet, Dacca, Jelal-pore, Mymensing, Tiperah, and Chittagong.

THE Patna division might comprehend the city of Patna, and the districts under the collectors of Bahar, Shahabad, Sarum and Firhoot, and the districts in Bahar under the collector of Ramgur.

It might be proper, for the more effectual distribution of justice, and to impress the natives more strongly with the

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The puisne judges, or deputies to be appointed in their place, to preside in the courts of circuit.

importance of these courts of circuit; that one of the puisne judges of the supreme court conducted and presided in them, together with two covenanted civil servants of the Company, who had at least attained the rank of junior merchants, assisted by a Cauzy and a Mufti. If the judge should not, from his duties at the Presidency, be at all times able to make the circuit, that the senior covenanted servant of the Company so appointed should act as his deputy; but that one of the judges should always be named for this duty, and the reason of his not discharging it be given to, and admitted by the supreme court of judicature. The nomination of the covenanted servants of the Company, who are to act as judges of circuit, to be in the Governor-general in Council, and a proper annual allowance for this duty to be given them.

Both to take the oath of office and for the faithful discharge of their duty;

THE judge of circuit or the deputies ought to be required to take the following oath upon his or their appointment: "I solemnly swear, that I will truly and faithfully execute the duties of senior (or junior) judge of the court of circuit for the division of that I will administer justice to the best of my ability, knowledge and judgment, without fear, favour, promise, or hope of reward; and that I will not receive, directly or indirectly, any present or nuzzer, either in money, or in effects of any kind, from any party in any suit or prosecution, or from any person whomsoever, on
" account

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“ account of any suit or prosecution to be instituted, or
 “ which may be depending or have been decided in the
 “ court of circuit under my jurisdiction; nor will I, know-
 “ ingly, permit any person or persons under my authority,
 “ or in my immediate service, to receive, directly or indi-
 “ rectly, any present or nuzzer, either in money or in
 “ effects of any kind from any party in any suit or profe-
 “ cution, or from any person whomsoever, on account of
 “ any suit or prosecution to be instituted, or which may be
 “ depending or have been decided in the court of circuit
 “ under my jurisdiction; nor will I, directly or indirectly,
 “ derive any profits from my station, except such as the
 “ orders of Government do or may authorize me to receive.
 “ So help me God.”

IN the event of a breach of this oath, the judges of cir-
 circuit ought to be liable to the same penalties, after trial
 and sentence by the supreme court, that the judges of the
 supreme court are, upon their being tried and found guilty
 in England, by the committee of Parliament appointed for
 the trial of Indian delinquents.

To be lia-
 ble to penal-
 ties for
 breach of it.

IN the courts of circuit there ought to be a Register
 or an officer, to have the same duties assigned him, and to
 take the same oaths as have been enjoined for the Re-
 gister of the Nizamut Adawlut.

Courts of
 circuit ought
 to have a
 Register,

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—with Cau-
zies and Muf-
ties

It may be necessary also, that the Cauzies and Mufties, acting in these courts of circuit, should take the same solemn oath that has already been described to be proper for the Cauzies and Mufties officiating in the Nizamut Adawlut; and that they should be renewed, as in that case, every six months.

Periods of
the circuits.

It may be proper that these circuits should be made every six months, viz. that they commence on the 1st of March and 1st of October in each year; and that they should proceed to the places of residence of the magistrates of the several districts within their jurisdiction; and remain, at each station, until all persons committed, or held to bail for trial by the magistrate of that station, shall have been tried and judgment given; that is, till there shall have been a complete gaol delivery.

Procedure
in civil cases;

IN all cases of a civil nature, or in suits for property, not exceeding the value of 1000 rupees, the decision should be final. In cases of property above that value, appeals should be open to the Nizamut Adawlut.

—in crimi-
nal cases.

IN cases of a criminal nature, not amounting to felony, the sentence of the court of circuit should be final, but when amounting to felony, the case ought to be carried by reference, to the Governor-general in Council, with powers to him to pardon or to order execution.

In these appeals or references, and in the decisions on them, it ought always to be understood, that the decree should make a part of the quarterly reports which are to be sent to the Directors and the executive government in Britain.

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To report their proceedings.

WHEN the Governor-general and Council, vested with these powers, confirm the sentence and return it to the magistrate of the district, for execution, then the same respect should be paid to the religion of the criminal as has already been pointed out; and, indeed, in the provinces, this will be more particularly necessary, in order to ensure the object for which the punishment is to be inflicted.

Executions to be conformable to the religion and usages of the people.

In order to keep up the distinction between the objects of civil and criminal courts, the Company's covenanted servants acting as inferior judges may be empowered, in the distinct capacity of revenue judges, after the conclusion of the other business of the court of circuit, to hear and decide on all matters of revenue which come by appeal from the magistrates courts in the different districts to be immediately described. In these provincial courts, two or more of the native officers of revenue ought to be annually appointed by the Governor-general, to act as assessors directing and conducting the suit. The decisions of this court ought to be ultimate, in all matters not exceeding 500 rupees; but, in cases above that value, the party should have the power of appealing to the Duan's court.

Constitution of the provincial courts of revenue.

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The same principles of law to direct the proceedings of these courts, as those which form the rule of judgment in the Nizamut Adawlut.

It may be proper, that the same rule of law, and the same practice in the application of it be observed in the courts of circuit, as already specified, to be required in the Nizamut Adawlut; and it may be expedient, that the judges of circuit be enjoined to report, at the conclusion of each term, to the Nizamut Adawlut, the instances in which the Cauzies or Mufties have been guilty of misconduct in the discharge of their duty; that, as judges of circuit also, they should visit the gaols at each station, direct the magistrates to give proper treatment and accommodation to prisoners, and report to the Nizamut Adawlut every instance in which it may appear to them that the magistrates have been guilty either of neglect or misconduct. A part of the report ought also to consist of such propositions as these judges of circuit may think calculated for the better distribution of justice. If they shall differ in opinion, upon any one subject, then the senior judge ought to have the casting vote; and if, from sickness or other accidents, one or more of these judges should not be able to make the circuit, in such case the duty should devolve upon the remaining one.

Constitution and jurisdiction of the inferior courts of magistrates.

It is proposed, in the last place, to establish inferior courts of magistrates in the districts into which the collections of the revenue are divided. It is hardly possible to fix upon any other rule of marking out the limits of such inferior jurisdictions, than the limits of the collectorships,

lectorships, except in those places which have already been specified as the seats of the courts of circuit, viz. Moorshedabad, Patna, Dacca and Calcutta. SECT. II.

THE same rule of law which is observed in the Nizamut Adawlut, and in the courts of circuit, ought necessarily to become the rule of conduct in these inferior or provincial courts. It is more difficult, however, to chalk out a constitution for these petty courts, than it was for either of the superior courts. It may be laid down as a fixed principle, that these inferior courts should act in the separate capacities of civil and criminal, and as a branch of the Duan's court, or a court of revenue, and it may be understood, that in all cases where appeals are competent, from the courts of magistracy acting in the two former of these capacities, to the courts of circuit, or acting in the last of these capacities to the Duan's court, that the same procedure and forms should be observed, as in the supreme courts; that is to say, the rules and forms in civil and criminal cases, as in the Nizamut Adawlut, and the rules in cases of revenue, as in the Duan's court.

Principles and forms upon which these courts, in their different capacities, are to proceed.

A DIFFICULTY here occurs as to the persons who may be competent to become magistrates: From the mixed character of the inhabitants, from the mixed nature of the sovereignty, and from the real power being in the servants of the Company, it may be impracticable to find any but their

The collectors to be the judges in the courts of magistracy, under certain restrictions.

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fervants, who can be vested with the office of inferior magistrates. All, therefore, that can be done, in order to make the plan of jurisdiction in the courts of magistrates, as much in union with that in the superior courts, as the nature of the case will admit, is to enact, that every Company's servant, who shall attain the office of a collector, must have been of a certain standing in the service, viz. have acquired the rank of a factor or junior merchant, and it may be made a qualification of office, that he should have attained a competent knowledge of the regulations, which have already been pointed out to be the proper rule of conduct in the courts of circuit, and in the Duan's court. It is not indeed to be supposed, unless a collector shall have attained to such competent knowledge, that he would chuse to come under the obligation to which his taking the necessary oath would subject him. The form of the oath is as follows: "I A. B. collector and judge of
and entrusted as magistrate with
" fouzdary jurisdiction, do solemnly promise and swear,
" that I will exert my best abilities for the preservation
" of the peace of the districts, over which my authority
" extends, and will act with impartiality and integrity,
" neither exacting or receiving, directly or indirectly,
" any fee or reward in the execution of the duties of
" my office, other than such as the orders of Govern-
" ment do, or may, authorize me to receive. So help me
" God."

THOUGH it is proposed, that the collector should himself act as judge or magistrate, it will be necessary for the uninterrupted distribution of justice, that the senior civil servant of the Company, acting under the collector, should be his deputy, and that both should be vested with powers, somewhat analogous to those of a justice of peace and sheriff in England; that a similarity in constitution to the superior courts may be preserved, it will be expedient that a Canongoe and a Pundit be appointed, with similar powers and duties with those enjoined them in the superior courts, and under the like corresponding oath, agreeably to their religion, with those which have already been marked out for the Cauzies and the Mufties. As the duties of the magistrate will require inferior officers to enable him to discharge them with effect, the rule of conduct for these officers will be the regulations specified for the administration of justice in the fouzday, or criminal courts."*

SECT. II.

Magistrates
to have a de-
puty.

THE duties of a collector or magistrate seem to be as follows: In his civil capacity he is to judge of all matters of property under one hundred rupees, without appeal; and if required he is to report the appeal with the reasons of it, to the court of circuit, should the property be above that value. In his criminal capacity, he is to issue warrants for apprehending murderers, robbers, thieves,

Extent of
the jurisdic-
tion and du-
ties of magis-
trates.

* See Regulations page 11—19. Calcutta 1791.

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housebreakers, and other disturbers of the peace; when a complaint is preferred to him against a person for any of these crimes, he is to oblige the party complaining to make oath as to the fact, before he issue his warrant; when the prisoner is brought before him, he is to examine the circumstances of the case, without oath; if it should then appear to him, that the complaint has been groundless, he is to order the immediate enlargement of the prisoner; if it appear to him on the contrary, that, from circumstances, the crime charged has been committed, then he is to commit the accused to prison; and if it be a petty larceny, not cognizable by the court of circuit, he is to bring on the trial at the next regular meeting of his court; after hearing the accusation, he is to direct the Canongoe or Pundit to administer the oaths to the witnesses, according to the forms of their religion, and then decide agreeably to the regulations which have already been specified; if the offence with which the prisoner is charged should be abusive language, calumny, petty assaults, or affrays, he may decide from the circumstances of the case; and, in his capacity of a justice of the peace, order a corporal punishment, not exceeding fifteen rattans, or imprisonment not exceeding the term of fifteen days. In all cases of this description, regard ought to be had to the religious prejudices of the people.

EVERY magistrate, upon receiving information from the judges of the courts of circuit of their intended arrival at his station, should give public notice of the same
in

in all the districts under his charge, by a written publication, a copy of which should be forwarded to the Cauzie or Canongoe of each Pergunnah, with orders to have it affixed in some public place, in two of the principal towns or villages in his district; and he should require all persons discharged upon bail, and all prosecutors and witnesses to appear, and to attend at the date fixed for the arrival of the court of circuit, under pain of forfeiture of their recognizances. The provincial magistrate ought also to be in readiness to deliver to the judges of circuit, upon their arrival at the place of his residence, a list of all the persons committed to prison, or held to bail for trial, with copies of the charges preferred against them, the depositions of the witnesses, the proceedings previous to the commitment of the prisoners, or holding them to bail, and an account of the execution of the sentences which have been committed to him by the court of circuit. It might be proper also, that this last part of the report should specify, that such executions have been done, with a due regard to the religious prejudices both of the criminal and of the spectators. In order to render the information of the court of circuit as full as possible, it may be proper that he should make a report of the cases, in which, from want of evidence, he has been obliged to discharge prisoners.

It must frequently happen both from the characters of the lower orders of the people and from the animosity so prevalent in India among the natives, from difference of

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religion and usages, that complaints of a groundless and vexatious nature may be brought before a magistrate. It is therefore necessary, that he should be vested with power to punish the persons who may bring forward a false accusation, by a fine or imprisonment, or by corporal punishment, proportioned to that which the accused would have suffered, if he had been found guilty of the offence with which he had been charged.

COMPLAINTS before the courts of magistrates must frequently be made by natives, against British subjects. If, from the circumstance of the case and from evidence, the magistrate should find them to be founded, he ought to be empowered, by his warrant, to send the person or persons to the Presidency, for trial before the Supreme Court of Judicature. But if the complaint should be made by one native against another, and the breach of the peace be such as to require a punishment greater than by the preceding restriction he may be authorized to inflict; he may then commit him for trial before the next circuit court.

Proceed-
ings of magis-
trates to be
matters of
record.

IN regulating the proceedings of such courts of magistracy, all trials (those of a petty kind, which have already been specified, excepted) should be matters of record both in Persian and English, and be forwarded monthly to the Register of the Nizamut Adawlut, specifying the name of the person, the date of his imprisonment, and the issue

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whether the person has been sent for trial to the court of circuit, or punished by the authority of the magistrate himself. The form for this report may be taken from the regulations already referred to; or may be a report, specifying a list of prisoners confined under sentence; of persons on whom sentence has been passed by the court of circuit; of prisoners tried, and their causes referred to the Nizamut Adawlut in former months, and in the preceding month; of the sentences of the Nizamut Adawlut carried into effect in the preceding month upon former references; and of prisoners under the magistrates charge, and who are left for trial. With this last it may be proper that the magistrate should send a particular report of his having visited the gaols, at least once every month, and redressed all complaints of ill treatment which may be preferred to him by the prisoners against the gaoler, and other officers having the charge of them; with the state of the gaols themselves, in respect of cleanliness, separate apartments for prisoners under sentence of death, for persons sentenced to imprisonment by the court of circuit, for persons committed to trial before this court, and for persons under his own sentence for petty offences; with a certificate from the surgeon of the station upon the whole of these last subjects.

It must frequently happen to these provincial magistrates, that complaints may be brought before them against Zemindars, Chowdries, &c. and the Subordinates allowed to act under them by the preceding plan of government.

How magistrates are to proceed against Zemindars, &c.

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In cases of this kind, the mode of apprehending the Zemindar, &c. the quantum of fine which can be levied upon him, and the kind of punishment which his rank or cast will admit, will require to be minutely specified. In the specification the preceding rule of subjecting the false accuser to the punishment which the accused, if found guilty, would have suffered, may be held as an expedient measure; that is to say, the fine not to exceed 50 rupees, where the party is neither a Zemindar, Chowdry, nor Talookdar, paying an annual revenue of 10,000 rupees; or a possessor of ayma lands paying a rent to Government of 500 rupees per ann. or of free land yielding an annual produce to the value of 1000 rupees; and the fine, on the several persons, described under this exception ought, in no instance, to exceed 200 rupees. In apportioning these fines, the magistrate ought to be left to judge, from the nature of the offence and the quality and wealth of the offender.

From the nature of their office of collectors, these provincial magistrates must necessarily act as judges in matters of revenue. In this case, as little room should be left, as possible, for oppression or injustice; and it might be expedient to introduce a distinction between the revenue cases which cannot, and which can be appealed from by the parties. In cases below 50 rupees, the decision of the collector might be made final, but he ought to be obliged to make specific reports of such decisions to the Governor-general, acting as Duan. In matters above 50 rupees an appeal ought

to

to be competent to the Duan's court, with powers to it, upon considering the reasons, either to decide immediately, or to order the party to bring on the trial. SECT. II.

SUCH seems to be the line of judicial procedure suited to the Bengal provinces, and allowing for difference of circumstances, the same plan may be extended to our settlements on the Coromandel Coast, or to our recently acquired dominions on the Malabar Coast. Such a judicial power seems necessary for the establishment of the sovereignty of Britain in India; the natives are entitled to it by the most solemn treaties; they understand it, and have been habituated to hold it as perfect. Were we to take from their acknowledged chiefs all apparent judicial power, we, in fact, should divest them of the most useful branch of their remaining authority: whereas, by leaving to them the recommendation of the native judges, who are to officiate in the Nizamut Adawlut, or in courts of circuit, we continue their princes, in the eyes of the natives, as their natural protectors acting in concert with the British Government, for the general safety and happiness of the inhabitants.

Result of the whole of this system of judicial power.

THOUGH the preceding observations seem to comprehend the general regulations which the establishment of the judicial power in India seems to require, both by keeping in view the precise objects of law, viz. property, life, and revenue; and though they have been accommodated to the practice of the

A police required for our Asiatic possessions.

CHAP. I. separate courts, which are to judge of cases of each of these kinds, there still remains a very interesting subject; the introduction of a police, which shall be conformable to the characters of the British or native subjects; and yet shall quadrate with the plans of government and of jurisdiction, which have been delineated in the preceding sketches.

It is a fact, in the history of jurisprudence, that degrees of the intermixture of law and of police, which takes place in the early periods of civilization, have among polished nations been allowed to continue, after laws and law courts have reached their greatest state of perfection. It is obvious however, that unless the distinct objects of police and of law be marked out, the one may be a source of oppression, and violence be possible to the other.

Separate
objects and
principles of
police and of
law.

THE object of police is to detect and prevent the commission of wrong: the object of law is to examine, by evidence, when a wrong or crime has been committed; and by punishing the offender, to impress the subjects of any country with ideas of the safety which they derive from the justice as well as the power of their sovereign. Police then refers to the manners of a people; law, to their rights, whether of life or of property. The principle of the one is justice; that of the other is propriety; or that rule by which good order and decorum are kept up in the intercourse of civil society.

TAKING then the principle of propriety as the basis upon which every plan of police ought to rest, and particularly a plan for our Asiatic provinces, the first practical rule which we can draw from it is, that the officer of police in India should only have the power of watching over the conduct of the British or Indian subjects towards each other, so as to prevent anarchy or injustice, but not the title to judge of wrongs, or to punish them. If he should have the power of judging of wrongs, he immediately becomes the accuser, as well as the judge; and if his decisions should not be directed by any rule, but his own sense of propriety, that sense might, in some instances, neither be very vivid in itself, nor very pure in the practice to which it might lead.

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The officer of police to have the power of preventing or detecting wrongs or crimes, but not of trying or punishing them.

THE next practical rule is, that the police must extend over all the British settlements. This rule arises from the actual state of the inhabitants in the British provinces, and from the intercourse which the different classes of people must have one with another. The inhabitants consist of the Hindoos, or the aborigines of the country; of the Mahomedans who conquered it some centuries past; of the emigrants from the different eastern countries, who still constitute distinct orders or classes of men (such are the Armenians, Malays, &c. the descendants of the first European adventurers, particularly of the Portuguese, Dutch, &c. speaking a language of their own); of the servants, civil and military, of the East-India Company, exercising commercial and sovereign powers; of the free British inhabitants; of the servants of the other European companies in factories in the bottom of our settle-

The diversified ranks and privileges of the inhabitants, requires, that a police, under modifications, should be made efficient.

CHAP. I. ments, and with a right to observe the laws of their own countries in these factories; and, lastly, the motley group of deserters from the trading vessels of Europe and America, who come out under no protection and cannot be presumed to be regulated by any other notions than those of self-interest and of escaping with booty.

It must occur from the very list of the names of such different classes of mankind, opposite to each other in their original prejudices of religion and of manners, opposite in the powers which they possess, and in the interests which they pursue; and opposite, consequently, in the sense of character which they may be induced to assume, that irregularities and the desire of doing injustice to each other must be frequent, if not general. In vain then will the British legislature enact laws, and establish law courts, with the objects of promoting the safety and happiness of our Asiatic subjects, if it does not at the same time introduce some plan of police, which might render an appeal to law courts less frequent, and for that very reason more effectual and respected by the inhabitants.

Progress of
police in
Hindoostan
among the
Hindoos;

THE last rule which we have to observe on this subject is, that we must accommodate police to the customs of the natives. This rule arises from the history of police in Hindoostan, both before we acquired our territories, and since we have made some efforts to improve upon the usages of the people. Under the Hindoo government it appears, that the Zemindar was an officer of police, but that it was only when

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he exercised jurisdiction as a part of the zemindary cutcherry, that he acted as a magistrate inflicting punishment;* the meaning of which seems to be, that he had the power of preventing affrays, of compelling the inhabitants within his district to conform to the established customs; and, in cases of disobedience, of bringing them before him, or of carrying them before a higher law court, to be tried and punished as violators of the peace.

UNDER the Mahomedan government, it appears, that the Darogah had power to imprison, when he acted in his capacity of a police officer, but not to punish. Aurungzebe directed that the Darogah might make peace between the parties; but, if he could not succeed, that he should make a *foorut hall*, and carry the case before the *Fouzdar*, the *Nazim*, or the Emperor himself.†

—Under the Mogul government;

WHEN the East-India Company established themselves as participating in the sovereignty of the Bengal provinces, one of the first circumstances which required the attention of the Presidency of Fort William was, the necessity of establishing some rule or ordinance for the better management of the police in the town of Calcutta, and in the districts included within its limits. From the increase of the Company's trade in this capital, as well as from the protection which the English Government afforded it, the

—Under the East-India Company.

* Lord Cornwallis's Letter, 6th March, 1788.

† Bengal General Consultations, 18th Dec. 1785.

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influx of inhabitants from all parts of Hindoostan had become very considerable. As many of these strangers had merely gone to India as adventurers, and without any plan of exercising their industry—murders, robberies, burglaries, with the crimes of stealing and swindling had become frequent, and required the interference of the sovereign power. In particular, the facility with which jewels, gold, silver, plate, and indeed all commodities of a small bulk could be disposed of, had made the temptations to commit these crimes so strong, that the interference of the police was universally called for.

Police establishment of
1773.

THE Governor and Council, therefore, upon the authority of the act 1773, established an officer, under the name of Superintendent of police, and placed under him a Master of markets and a proper watch or guard. This Superintendent was to have a salary, was to make his transactions matters of record, and to submit them to the Governor-general and Chief Justice; he was to have the power of bringing before him, by his officers, persons charged with felonies, committing them for trial, and of judging immediately, by himself, of petty larcenies under the value of 10 rupees, or of simple assault and battery where no great injury was sustained, and of punishing by imprisonment for one month; of ordering the culprit to be placed in the stocks, or to be beat with a rattan, or to be struck with a slipper, to the extent of thirteen strokes. He was limited, however, in the punishment of Dekoits, whom he was only to imprison, and who were to be tried by

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by a court of criminal justice. He was to enter his transactions into a book and to lay them before the Governor-general and Chief Justice, annually, on the 1st of May and 1st of November; he was to give a list of the Europeans and shop-keepers resident in Calcutta, obliging the latter to keep day books, into which they were to enter sales and purchases, particularly of watches, jewels, &c. He was to prevent their melting down or defacing gold or silver till after it had been a month in their possession; and to have the authority to prosecute them as receivers of stolen goods, if either their lists were imperfect, or if gold, jewels, &c. should be found for sale without his licence, or defaced with a fraudulent intention; he was to be vested with the power of levying fines for breaches of the peace, and in case the distress which he decreed did not enable him to recover the fine, he was empowered to commit the offenders to prison.*

THE consequence of this ordinance was, that the Superintendents of the police acted in an oppressive manner; complaints were brought against them before the Supreme Court of Judicature, this court condemned their proceed-

* It appears from a minute of the Governor-general, that the President and Council, on the 21st August, 1772, found that the Fouzdary courts, established in each district, had always intermixed the exercise of their criminal jurisdiction with their transactions as officers of police; a circumstance which gave them an opportunity of oppressing the inhabitants.

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ings; and His Majesty, upon the ordinance and its effects being reported to him, disallowed the whole.*

Police establishment of 1784.

THOUGH this system was laid aside, it was found expedient to establish another. The formation of it was recommended to the Governor-general and Council, who were enjoined not to exceed the subordinate powers of legislation with which they were vested; and to take care that no unwarrantable power should be given to the Superintendent. Accordingly a regulation of police was published in the Supreme Court of Judicature, on the 3d of May 1784, and a rate laid upon shops, lands, &c. for the support of Commissioners of police; the produce was to be applied to the improvement of roads, passages, &c. Surveyors for this end were named, and the Superintendent of police, his Deputy, and Subordinates, prohibited from exacting fees contrary to the rates allowed in the ordinance†.

STILL, however, this plan of police was found defective, and improvements from time to time have been proposed

* Bengal General Consultations, 17th June, 1783, in which a copy of His Majesty's warrant of disallowance is inserted.

† Extract of Bengal Consultations, 26th July and 22d August, 1784. It is presumed, that the power of the officers in England must have been somewhat of this kind, as the common law gave him no authority of judging or punishing; although a justice of the peace has in more modern times been vested, by statute, with authority in some particular cases, and for some petty crimes, and upon the accusation of others, to determine and punish the offence by fine or imprisonment to a limited extent.

for

for correcting them; such as, a regulation that servants were not to be permitted to leave the service of a master without receiving from him a testimonial of their character; a regulation to specify the rate of wages, &c. and yet, after all, it was the opinion of Sir William Jones, in a case brought before him for oppression by the police, “ that the power of punishing, exercised by the superintendent of the police, was a deformity in the government, “ and that the superintendents of police ought only to have “ the power of apprehending offenders, not of punishing “ them.”*

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Recent improvement upon this police.

THESE circumstances open to us the reasons which induced the Governor-general and Council, in 1788, to attempt the providing of some suitable remedy for the defects of the police of Calcutta and its limits. They found that farther powers must be vested in them, solely or in conjunction with the supreme court of judicature, for the purpose of bringing about an end of such public importance; and after specifying that the present system of a superintendent had been insufficient to protect the inhabitants in their persons or in their property, and that the evil might be traced to the old jurisdiction of the Zemindary-Cutchery, which exercised a power of hearing and deciding, summarily, causes both of a civil and criminal nature, and that this practice was contrary to the laws of Eng-

Plan of police proposed by the Governor-general, &c. in 1788.

* Extract of Bengal General Consultations, 26th March, 1785, and 13th January, 1786.

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land, and could only be justified upon the principle of necessity; and shewing, that this necessity arose from the small number of magistrates, who, under the present law, were able to fulfil the duties of police officers; and pointing out the incompetency of the court of requests to discharge the duties required of it; they suggest, as an obvious and natural remedy, the encrease of the number of magistrates, and the extension and emendation of the institution of the court of requests. If the former measure should be adopted, they gave it as their opinion, that courts of criminal jurisdiction should be oftener held, and the interposition of the legal power of a justice of the peace be daily and regularly resorted to. If the latter should be complied with, and competent salaries be allowed to the members of the court of requests, the inhabitants in general would have easy access to justice, in causes of a trifling value, and not be burdened with the expense of suits in the supreme court of judicature.

Assistances expected in realizing this plan, from new modelling the court of requests.

THE Governor-general and Council therefore, proposed to limit the powers of distributing justice in the court of requests to cases under one hundred sicca rupees;—that it should take cognizance of contracts and civil injuries, where the demand did not exceed three hundred sicca rupees, in a way similar to what is called trial by civil bill, by the justices of assize in Ireland; but that, in these cases, one of the judges of the supreme court should preside in rotation. They next proposed an alteration upon the statute 16 Geo. III. cap. 63, in order to enable them to form regulations

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lations applicable to the police of Calcutta, though such regulations might not be perfectly coincident with the laws of England. They proposed also, that the justices of peace should be selected from the principal inhabitants of Calcutta, and not nominated in England; that a power should be given to these justices, of regulating and licensing houses where liquors are sold in retail, and of suppressing those which sell spirituous liquors to the detriment of the inhabitants; that a coroner should be appointed for Calcutta, and that the limits of the town of Calcutta should be extended, agreeably to a plan which they transmitted; that the admiralty jurisdiction granted by His Majesty's charter of 1774, should extend over Bengal, Bahar, and Orissa, the islands belonging to them and their dependencies, and be applicable not only to the servants of the Company, but to British subjects in general; that the admiralty court should have the power of inflicting death, as well as of levying fines, since the interpretation of the charter, 13th March, 1761, had, in so far as regards the trial of piracies, been a matter of difficulty and doubt. To remedy these evils effectually, they recommended, that a power should be given by act of parliament to the supreme court of judicature, to try all treasons, murders, piracies, &c. and all such offences as are usually punished by maritime law: and of giving judgment and proceeding to execution in maritime capital cases; and that this power should extend to all places within the Company's limits. It would be expedient also, they concluded,

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to authorize it to judge in prize causes, though this power would require some alteration in subsisting treaties.

—from an act,
for the relief
of insolvent
debtors.

THE Governor-general and Council, in recommending this system, point out the necessity of obtaining a law for the relief of insolvent debtors. As the law stood, an obdurate creditor might retain a person in prison for life; they therefore recommended that the supreme court of judicature should be vested with a power, concurrent with that of the court of requests, for discharging insolvent debtors. To the whole of these observations they subjoined, propositions respecting the administration of justice in Prince of Wales's Island, or in such settlements as may hereafter be made dependencies upon the Company's possessions, where the law ought to apply to the whole inhabitants*.

—objections
made to the
principle of
this bill,

It must, at first view, occur, that a system of police should have no dependence upon any of the branches of jurisdiction; but, on the contrary, should be separated entirely from them and kept to its proper object, viz. the prevention of the wrongs or crimes of which the civil or criminal courts of a supreme or subordinate kind are to take cognizance. It must occur also, that, in foreign and distant settlements in which the Company's servants and British subjects, in general, form but a very small number of the inhabitants, and yet have the exercise of the sovereignty

* General Letter from the Governor-general and Council to the Court of Directors, dated 6th of March, 1788.

delegated to them, it would be difficult to find persons capable of exercising the duties of police officers, who did not, at the same time, fill the office of magistrates in the inferior courts. The functions of these different offices might be specified, and the duties of them completely separated. This, perhaps, is all that can be done, in a situation where the inhabitants have such opposite characters and prejudices, and yet are intimately connected together by the nature of the government to which they are subjected. If the Company's servants, from the commercial business which is put under their management, and from the necessity of their acting as magistrates, within the limits of their different collections, have neither time nor opportunities sufficient to enable them to exercise the duties of police officers; and if the free British inhabitants, or even the natives of character and credit might be entrusted with the subordinate offices of police, then officers of police could easily be found. Upon the idea that the whole of the police was under the immediate controul of the Governor-general and Council, and that a Company's covenanted servant under their appointment, was to act as a justice of the peace, it might be expedient, and, perhaps, for the general advantage of the settlements, that the inferior officers of police should be natives. The propriety of this measure will totally depend upon the separation of police courts from law courts, and assigning to the one the preservation of the peace, as its sole object, and to the other; the trying and judging of wrongs or crimes, as their proper duty.

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Mode of establishing regulations of police, coincident with the plan of government and of courts of justice.

TAKING, therefore, the advantage of the whole of this information, it is proposed, in the first place, that a plan for regulating the police of our settlements should be established, by the joint authorities of the Governor-general, representing His Majesty, and of the native Princes acting as our allies or our dependents; this measure might take place upon the same principle with the regulations which have been suggested for the improvement of the judicial power. Upon this system, all regulations of police should be submitted by the Governor-general and Council, or Presidents and Councils, to the supreme court of judicature, with the consent of which, after they have been promulgated twenty days, at the seats of government, and sixty days in the provinces, they should be held to be in force, liable only to revision and to approbation or disallowance by the King in Council.

Proposed constitution of courts of police, for all the Asiatic possessions of Britain.

It is proposed in the second place, that at each of the seats of government, there should be a Superintendent-general of police, to be nominated by the Governor-general at Calcutta, and the Presidents at Fort St. George and Bombay; that he should have under him a Deputy, Register, &c. and a Deputy at each of the seats of circuit, viz. Moorshedabad, Dacca, and Patna, &c. that the Deputies should have power to appoint in each of these places, with his approbation, from among the principal inhabitants, whether British or Native, substitutes of police and constables to aid in preserving the peace.

It is proposed, in the third place, that a certain rate shall be paid by householders, in proportion to their rents, for the support of this police establishment; and that all fines or forfeitures, which may be levied on parties for breaches of the peace, should be paid into the same fund as the rates above specified, viz. to the Superintendent-general of the police, who should make monthly reports of the amount to the Governor-general or Presidents and Councils. Out of this fund the Governor-general, or the Presidents, should have the power of paying the salaries to the magistrates of police, and allowances to officers employed in the preservation of the peace; that the Superintendents of police should take an oath of trust, and against receiving presents or bribes under any species of description, and be liable for a breach of this oath to a prosecution for perjury.

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Means of defraying the charges of police.

It is proposed, in the fourth place, that the objects and duties of the Superintendents of police, and their Subordinates, should be, to make up lists of all strangers, whether European or Asiatic, and to give an account of the manner of life, trade and conduct of each; to regulate the markets, in the cities, towns, or districts, under their jurisdiction, with the view of preventing all schemes of forestalling or engrossing the necessaries of life; to receive information respecting any theft, murder, robbery, or other crime, which either may be apprehended or actually committed, and to bring the parties into safe custody; to quell all affrays or tumults, and to secure the principals or ringleaders, that they

—Objects and duties of the officers of police;

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may be brought before a court of justice; to prevent all violent interferences between the followers of the different religions, authorized and tolerated in the British provinces; and particularly to prevent every species of insult, or abusive treatment by the British subjects (in the sense of that word, already explained) being given to the natives while exercising their religious ceremonies and forms, whether those of the Hindoos, Mahomedans, or other tolerated sects; to hear all complaints for abusive language, batteries or assaults, and to take the parties into custody; to direct at all executions in aid of the executive officers of the courts of justice; and, in fine, to watch over and to controul the inhabitants in the intercourse which they may have in the affairs of trade, commerce, &c. in particular, to check, as much as possible, all frauds, swindling, &c.

IN the exercise of these duties, the police officer ought to have the right, (in case it may be necessary to exercise it,) of calling in the assistance either of the Company's troops, or of those of the Nabobs, or native Princes; but should be answerable for the orders he may give to the officers or commanders of such parties, who are only to carry them into effect.

—Forms of
procedure in
the courts of
police;

It is proposed, in the fifth place, that the constitution, forms of procedure, and powers of the courts of police should be, as follows: the Superintendent, his deputies, or their substitutes, should issue warrants for seizing persons guilty

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guilty of a breach of the peace; these warrants should authorize the officers of the police to bring the party before the Superintendent or his deputy, who, after examining the circumstances, (without oath) should make his report to the magistrate, either that the party merits a punishment not exceeding fifteen days imprisonment, or twenty rattans in the public market-place; or that the offence or crime, which has been committed, is such as to be cognizable by a court of justice. In order more completely to render the court of police efficient, the confirmation of the magistrate, upon the preceding report, should be held to be final, and the punishment be inflicted accordingly; or his commitment of the party, for trial, before a court of justice, should be deemed equivalent to a gaol delivery, of such prisoners as may be, strictly speaking, in the custody of the police.

It ought, under this branch of the subject, to be an established rule, that the substitutes, in the different districts, should make monthly reports of all affairs of police to the deputies, to whom the police may be committed, within the limits of the courts of circuit, and to the deputy of the Superintendent-general, in the seats of government; and that the Superintendents should make quarterly reports to the Governor-general or the Presidents, that the actual state of the country may be known to them, and the improvement of their regulations of police become a part of those duties for which they are responsible to the government in Britain.

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Mode of
connecting
this plan of
police with
that known
to the native
princes,

It is proposed, in the sixth place, that such share in the management of police, as is consistent with the preceding system, should be left with the native powers, whose names are still used in the government. The distinction which was suggested in arranging the judicial power will naturally come to be observed in accommodating this institution of police to the remains of their sovereignty. The difficulty will be less, perhaps, upon this last subject, and more easily surmounted, than that which occurred in the first, since it has been found that under the Hindoo and Mogul establishments, the officers of police were subordinate to those of justice. By a species, therefore, of agreement with these Princes, the regulations for accommodating the ancient to the new plan of police might be adjusted, and the reports, which used to be made to the native Princes, be regularly communicated through their officers, to the Governors or Presidents, that both might seem to take that share in the internal government of the country, which would mark to the whole inhabitants a common interest in their safety and prosperity.

—coincided
with the
preceding
plans of go-
vernment and
of jurisdic-
tion.

By this arrangement the dispositions and conduct of the natives, with respect to the English nation; and reciprocally, the dispositions and conduct of the British subjects, with respect to the natives, would be fully known; and the first symptoms of revolt in the former, or of oppression in the latter, from being matters of daily discovery and of daily punishment, would create in each of
them

them that mutual confidence which would attach both to the British government. SECT. II.

It is proposed, in the last place, with the object of more fully connecting the judicial power in India with the court established in Britain, for the trial of Indian delinquents, that the acts 1784, and the improvements in the act 1786, should continue. Upon this particular subject, it is to be observed, that if the connecting a foreign dependency with the British government is difficult in itself, the establishing a law which is to punish injustice done by the British subjects in India is not less so. If the British subjects who have resided in India have been made amenable to a court in England, it is to be recollected, that the crimes or misdemeanors, for which they were to be tried, have been committed in India; and that the Legislature could not foresee the means which might be thought of, for evading the intentions with which the law had been made: experiment and time alone could disclose them. Hence, in this, as in all Acts of Parliament, where clauses must be introduced, pointing out not only the method of applying the law, but of preventing the evasion of it, we have a proof of the superiority of that rule which arises from the experience of ages, over that one, which, however excellent, has either been untried, or is not accommodated to every case. With the object then of rendering this court fully adequate to all the purposes for which it was instituted, the following additional clauses may be useful:

Connexion of the foreign judicial power with the court, for the trial of Indian delinquents in Britain.

CHAP. I.

THAT the defendant, in the trials brought into court, upon an information preferred against him, shall not be allowed to avail himself of any defect, or want of form in the information, or in the substance of it, except upon demurrer, wherein such defect shall be specially assigned and set forth, in the manner of demurrer; and that in all cases, prior to the ultimate judgment to be given upon such information, it shall be in the direction of the Court to grant leave to mend it; and if judgment shall be given against the demurrer, the defendant shall not be permitted to plead over to the information; but the judgment shall be conclusive, (as in demurrers in other criminal cases,) subject only to a writ of error. If this writ of error shall not be obtained within twenty days, after judgment is given upon a demurrer, or the writ of error discontinued, or the judgment on the demurrer affirmed, then the decision shall be delivered to the Lord Chancellor, or Lords Commissioners of the Great Seal, who shall issue a commission under the Great Seal, for constituting a special court of judicature, agreeably to the existing statutes, for pronouncing final judgment on the case. This judgment is not to be questionable in any other court, by writ of error, appeal, or any other form of proceeding. The court is to cause their judgment or sentence to be executed by warrant, or to remit it to the Court of King's Bench, for execution or for proceeding to outlawry, in the manner directed by former acts of Parliament.

IF any defendant shall not have surrendered, agreeably to 26th of the King, and proof be made, by affidavit or otherwise, to satisfy the Court of King's Bench that the defendant is beyond sea, or cannot be found in this kingdom, to answer the charges brought against him; then the court may order a rule, directing the defendant to surrender himself in court, or to the chief justice, or to one of the other judges thereof, at a certain day, at the discretion of the court; a copy to be (within twenty days after making the rule) three times inserted in the London Gazette, and affixed upon some public place in the office of the East-India Company, in the city of London.

IF the defendant shall not surrender himself according to such rule, then, on proof being made of the publication of it, the court are required to give judgment, in default, against him, pursuant to the act the 26th of the King.

IF the defendant shall have entered into any recognizance or bail, pursuant to the acts the 24th and 26th of the King, and pursuant to the rule above described, then the Court of King's Bench are required to give judgment by default, and process of outlawry may be issued thereon. In no case where judgment shall be entered or given by default, shall any writ of error be allowed; but the record of such judgment shall, at the option and request of the prosecutor, either be retained by the Court of King's Bench, for final sentence, or be delivered to the Lord High Chancellor, or Lords Commissioners for the Great Seal, who shall

CHAP. I.

shall thereupon issue a commission under the Great Seal, constituting the Court of Judicature for the trial of Indian delinquents, who shall pronounce final judgment and sentence thereon, with proceedings for the execution of the sentence or outlawry.

Result.

SUCH seems to be the judicial power required for the British possessions in India, and the amendments in the existing acts, regarding the trial of Indian delinquents, in England, which experience has pointed out to be necessary for uniting this distant dependency, and the government established in it, with the government of Great Britain.

HISTORICAL VIEW
OF PLANS,
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

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OF THE FINANCIAL POWER REQUIRED UNDER THE PRECEDING
PLAN OF GOVERNMENT.

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under the Usurpers in the Provinces of their Empire—Sources of Revenue in the British Provinces in India—Progress and Result of the Investigations to ascertain the Nature and Extent of it under the Moguls—under the Usurpers, and under the Company in the central Provinces—Effect of the Acquisition of the Duannee, on the Financial Power—Ineffectual Regulations for the Revenue proposed by the Directors—First Parliamentary Interferences to correct the Abuses of the Financial Power—Result of them—Expectations of the Directors from the calculated Amount of the ancient Revenues.—Decline of the Revenue—from the Uncertainty respecting Zemindary Rights—from the erroneous policy and reasoning of the Company's Servants—from the Failure of a Demand for the Produce of Industry by the Fall of the Court of Delhi, and Courts of the Soubahdars, &c.—This last Evil in part removed by the Demands from Europe—Consequences of the Company's Acquisition of Territories on the Rise and Fall of Revenues—Result of the late Enquiries on this Branch of Indian Oeconomy in a permanent Settlement of Land Rents—in fixing the Rates of Duties and of Customs—similar Investigations, the Means of giving a fixed Character to the Financial Power over all the Eastern Dominions of Britain. 1st. Proposal for assessing and collecting the Revenues through the Boards of Revenue, 2d. Proposal to fix the Rents of Lands in general, and render Leases permanent. 3d. Proposal to fix the Duties on the Produce of Industry and the Customs on Trade. 4th. Proposal to hold out Encouragements to Industry and Trade among the Natives, our Subjects—Appropriation of the Indian Re-

nues assessed and levied upon these Principles. 1. Proposal, to appropriate the Revenues to the Military, Marine, and Civil Charges. 2. Proposal, to appropriate them to the Payment of the Company's Debts,—either by funding them in India and in England,—or by enabling the Company to encrease their Capital. This last, the most immediate Means of discharging the Debt. 3. Proposal, to appropriate the Revenues to the Support of the Company's Investment. 4. Proposal, Appropriation of the Surplus to an encrease of the Dividend from eight to ten per Cent.—and to an annual Participation of the Residue with the Public—Encrease of Surplus to be the Company's—Contingencies upon which all these Appropriations may depend.

IN every State the financial power signifies that exercise of the sovereignty by which it sets apart value, to be applied for maintaining the officers employed in the administration of civil affairs, and for levying and paying the armies or fleets required to defend its subjects against the attacks of neighbouring or foreign nations. This value, or public property, varies in its nature and amount with the progressive stages of civilization. In rude ages it is either the produce of a portion of the original soil, or in the event of a conquest, a proportion of the acquisition whether

PART II. N n n 2 consisting

SECT. III.

Nature and
progress of
the financial
power,

CHAP. I. consisting of plunder or land paid to the chief or conductor of the expedition, or it consists of temporary contributions levied by this chief, acting for the preservation and protection of his followers. After arts and commerce have begun to create a species of property, which does not seem to arise from territory, but from the wealth acquired by the ingenuity and industry of the inhabitants, the sovereign power begins to consider, that a portion of this wealth also ought to be paid for the protection afforded the artisan, the manufacturer and the merchant, against the violence of individuals or of external enemies. This assessment on industry bears a kind of indefinite proportion to the former tax paid from lands, and is the circumstance which first gives a complicated aspect to revenue.

— is the most complicated branch of political economy.

To define this financial power, has, under every species of government, been the most difficult branch of political economy. It varies in its character, and in the mode of exercising it, according to the situation and circumstances of any people.

State of it in Hindoostan, under the Moguls,

IN no nation has the sources of this power, and the exercise of it, assumed more complicated aspects than in Hindoostan, whether we trace them from the rise to the establishment, or from the establishment to the fall of the Mogul empire.

WHEN the Moguls first invaded Hindoostan, it was with the object of levying contributions rather than of founding an empire. The vestiges, however, of this first violence remained, after the conquerors had fixed a seat of their power, and divided their dominions into distinct soubahs or provinces; hence the custom of levying temporary contributions to answer the real or pretended exigencies of the sovereign. Baber and even Acbar practised this measure, though the latter Emperor fixed the jumma, or tax roll, for the assessment of lands, and the duties or customs on the industry of his people.

THIS prerogative of the Moguls did not cease with the fall of the empire. It was exercised by the usurpers in the different provinces, and copied, in many instances, by the Hindoo states, who took advantage of the revolution, to establish their own independence.

—became more oppressive in its practice under the usurpers in the provinces of their empire.

THE financial power in India was, in this situation, at the period, when the conquests of Great Britain were made, and when the Company became officers of the fallen Moguls, allies or masters of the usurpers in the richest provinces, or allies and supporters of some of the Hindoo states, for the purposes of carrying on trade.

To have a view then of the financial power in the British provinces in Hindoostan, we must revert to its particular character among the Moguls, and connect this with the circumstances which have led the Company to adopt

Sources of revenue in the British provinces in India.

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the Mogul system, or to change it. In this way we shall discover the source of our own revenues in India, and be able to judge of the appropriations which have been made of them. The revenues in the Bengal provinces, (and, allowing for local differences, in the other provinces) arose from land rents, from duties on the productions of the arts, and from customs levied on trade. The Bengal provinces being the principal of the Company's possessions, and those by which not only the other settlements have been supported, but by which the Company have been aided in purchasing investments, claimed the first attention of the Directors, and afterwards of the Legislature.

Progress and
result of the
investiga-
tions to ascer-
tain the na-
ture and ex-
tent of it
under the
Moguls.

THE financial power of the Moguls, from the very nature of their conquest, was blended with the judicial, because the object of the invaders was to build a system of civil administration upon a military arrangement. An annual collection was made from the produce of the lands, of this the Sovereign had one part, the cultivators another, and out of this last was taken the expense of collection. The same method of assessment and collection was employed in levying duties and customs on the produce of arts and manufactures, and on trade, inland, transit or external. Hence the collector of land rents, duties or customs, often gave the Zemindars opportunities of levying additional sums for their own use. If they paid the Prince, the oppression was overlooked in proportion to the low rank and remote situation of the cultivator, artisan or trader. The sum paid
by

by the different provinces varied according to the extent and fertility of each province. This appears from the proportion at which the different provinces were assessed by Acbar. These proportions were encreased by his successors, and still more so by the usurpers of his empire. The Duan paid the proportion for the province allotted to him into the treasury at Delhi; he was checked by the Soubahdar, but both Soubahdar and Duan frequently united in the plan of raising contributions from the subjects, for the purposes of strengthening their own power, and of encreasing their particular riches; they of course winked at, or authorized the same iniquitous practices in the Zemindars, who, from the accidents of birth or arbitrary nomination, were the collectors of revenue, the subordinate judges, and the officers of police in the districts into which a province was divided. In their turn these Zemindars portioned out the like powers among their inferiors, so that the ryot or cultivator of the soil, though he was considered to have a right to remain on it, and to cultivate it for his support, and for the payment of the rents to the Zemindar, was, in fact, exposed to an oppression that encreased in proportion to the number and orders of the officers, who acted between him and his Sovereign.

SECT. III.

IN this situation the East-India Company received the Bengal provinces, retaining the Nabobs or Rajahs in them, in whose name this corrupted Mogul system was carried on; and having, together with the Nabob, a Duan, nominally accountable to the Nabob, but really the instrument of oppression

Under the
usurpers, and
under the
Company in
the central
provinces.

CHAP. I.

pression in the hands of the Company's servants, who used him as the broom by which they were to sweep together wealth to be transported to Europe.

Effect of the acquisition of the Duannee on the financial power.

AT last, Lord Clive obtained the Duannee, and though he did not, by this, render the Company more powerful than they had been, after his victory at Plassey made them delegated sovereigns, he rendered the Governors and Councils more accountable for their conduct to their superiors the Directors, and gradually brought forward, by this responsibility, the subject of Indian revenue to notice, examination, and regulation by the legislature.

BEFORE the acquisition of our territories, the only revenues which the Company possessed in India, were the rents paid by the little districts, which they had obtained round their factories or seats of trade, and the customs which they levied at those ports, which the guards of their factories could command; these rents and duties were, in general, assessed agreeably to the customs of the country, and levied according to the terms of the grants, which had been obtained from the Moguls, or from the Chiefs who were the immediate superiors of the districts.

WHEN the conquests of Lord Clive gave the Company dominions, they administered their revenues upon the same principle with the usurpers of the Mogul power; that is, upon the principle of the Mogul government. The consequences were, that the natives complained of the administration

SECT. III.

stration of the Company, and the Company's servants of each other. The former said, that the tenures upon which they had held their lands were done away, and that they were unable to pay inland duties upon trade, when the Company's servants paid none, either to the native princes or to their Masters. The latter either appealed to the privileges which the Company had obtained from the Mogul and Nabobs, but which the Directors did not understand, or offered apologies to the court, each laying the blame upon another, to exculpate himself. At last all men were satisfied that the constitution, which was suited to a mercantile association, was by no means calculated for the management of a financial power in extensive provinces.

IN consequence of this opinion, the Directors and Proprietors endeavoured to lay down regulations for the financial power in India; but from the very constitution of these courts and from the novelty of the subject, the proposed regulations were imperfect in themselves; and from the influence which the Company's servants, who had returned from India with large fortunes, and become Proprietors of India stock obtained, by making and unmaking Directors; the regulations (supposing they had been perfect in themselves) were easily evaded in their application.

Ineffectual regulations for the revenue proposed by the Directors.

SUCH were the circumstances which alarmed the Public, and called for the interference of the Legislature. It appears upon the reports of the House of Commons, that the revenues in our Indian provinces principally arose from the

First parliamentary interference to correct the abuses of the financial power.

CHAP. I.

rents of land; that the tenures by which these lands had been held, were feudal in their spirit, but local in the circumstance of the holder being removeable at the pleasure of the Prince; that the Zemindar paid his rent to the Collector or Duan of the province; that the Chowdrie and a few of the Talookdars, might have held their lands immediately of the Mogul, but that the great body of the Talookdars held of the Zemindar and paid their rents to him; that though the ryots or cultivators of the soil had, as such, original rights, yet, that they were liable to oppressions, proportioned to the number of their superiors, since the farmers of the revenue contracted with the Zemindars, Talookdars and Farmers; and thus, if they levied the quantum to be paid to the state, they might with impunity extort money for themselves.

Result of
them.

WHEN the produce of the revenue thus was to pass through so many hands, oppressions began with the lowest persons in office and rose in a cruel progression to the highest. The Zemindar might be oppressed by the immediate Collector of Government; he, in his turn, by the Nabob; and he, in like manner, by the Duan, who remitted the stipulated revenue from the province to the capital. Nor were the oppressions confined to those exercised upon the cultivators of the soil, since the revenue arose, not from the rents of land alone, but from the duties which were imposed upon industry and trade. If a farmer improved his fields, the Zemindar assessed him according to the supposed profits which his improvements would yield; if an artizan improved or extended a manufacture,

a sum

SECT. III.

a sum was levied on his computed stock and profits; if a merchant bought goods and carried them to market, he paid a duty on them where they were purchased, he paid road duties and river duties as he went along with them for sale, he paid a duty at the auring where he was to expect his profit; so that, till they came into the hands of the consumer, the payment of duties did not cease. Under the ancient government, indeed, these taxes had some check, arising from the laws imposing them being understood; but when the sovereignty passed into the hands of the Company, to be exercised in the name of the Nabob, even this check was done away.

THE Directors, struck with the magnitude of the revenue, as remitted to Delhi, thought of nothing beyond realizing it; and the first governments, after the acquisition of the Duannee, thought of nothing beyond gratifying the demands of the Directors; unless it was, sheltering themselves under this authority to exercise their power for interested or private ends.

Expectations of the Directors from the calculated amount of the ancient revenues.

THE sources of the revenue, at last, began to be dried up, and yet the Directors required the same amounts. Eager to preserve their power, their foreign servants strained every nerve to keep up the revenue, and to collect the money in circulation, for supplying the China investments. In the first of these oppressive plans, we discover the true cause why Nabobs were degraded, made and unmade; and in the second, the causes which contributed to the decline

Decline of the revenue,

CHAP. I.

of agriculture and of manufactures. In the union of both, the sources of the sudden change of a rich domain, into (what threatened to become) an impoverished and desolated waste.

It was now that these evils were seen in all their magnitude, and that enquiries were instituted to ascertain what the rights of the Zemindars and Landholders had been, under the Mogul government, and what were the real sources of the decline of agriculture and of manufactures.

—from the
uncertainty
respecting
zemindary
rights,

ON the subject of the rights of the Zemindars, the reasonings continued for years, in extremes. On the one hand, it was asserted, that the Zemindar had been merely an officer or collector of revenue; on the other, that he had been a feudatory Prince of the empire. It has required the most laborious investigation to discover the fact, viz. that the Mogul was the Lord superior, or proprietor (terms equivalent in their meaning) of the soil; that the Zemindars were officers of revenue, justice, and police in their districts, where they also commanded a kind of irregular body of militia; that this office was frequently hereditary, but not necessarily so; that, on the failure of payment of the rents, or of fulfilling the other duties of his office, he could be suspended or removed from his situation, at the pleasure of the Prince; that the rents to be paid to him were not fixed, but assessed, at the will of the Sovereign; and that the ryot or cultivator of the soil, though attached to his possession and with the right to cultivate it, yet was subjected

to

SECT. III.

to payments, varying according to particular agreements and local customs; that, in general, he continued on the spot, on which his labors were directed to raise the means for his own subsistence, but that the proportion to be paid to the state was to be judged of by the Zemindar; that the rights of the ryot had been gradually abridged, and the proportions he paid encreased, during the successive revolutions through which his country had to pass, before and after the fall of the Mogul empire.

ON the sources of the decline of agriculture, and of manufactures and trade in Hindoostan, the reasonings, though they have not been so much in extremes, as on the subject of land rents; yet have, by no means, been full or satisfactory. On the one hand, it has been said, that the oppressions of the Company's servants alone produced the decline of the arts and of trade; on the other, that but for the quantities taken off by the Company, or by the Europeans in general, arts and trade would have more rapidly declined than they actually did. This evil, however, may be traced to sources distinct in themselves, though encreased more or less by these events. In the Mogul system of policy we can see their origin, and, in the exercise of this policy, by the Bengal presidency, their completion. By the former, the duties on the productions of art, and the customs on trade were in the hands of Soubahdars or Nabobs and their Duans, or in those of their Subordinates, the Zemindars; by the latter, the powers which all of these Mogul officers had exercised, were considered to have passed into the hands of our Pre-

—from the erroneous policy and reasoning of the Company's servants,

CHAP. I. fidents and Councils. We have already adverted to the circumstance, that the amount of the revenue was to be kept up, while the money in circulation was to be carried off to a foreign market. If to this immediate cause of the decline, we add, that the richest portions of the soil were often let to the Company's servants, while the less fruitful were to pay an encreased tax; that the Company's servants pleaded an exemption from duties and customs on trade, while the Mahomedans were subjected to heavy payments of them, and the Hindoos to heavier still; that the lands which had been laid waste, were to be cultivated at the Company's expence, and their servants to be paid for the superintendence of this cultivation, while the inhabitats on these lands were subjected to heavy duties and to customs; we can be at no loss to account for the decline of agriculture, of arts and of trade. Instead of equalizing rents, or duties and customs, the ancient policy was continued; the Zemindar was made a tenant at will, and the leases or pottahs to the farmer, when he was unable to discharge his rent, frequently given to strangers and to adventurers, whose stock and credit were soon to pass through the like vicissitudes.

—from the failure of a demand for the produce of industry by the fall of the court of Delhi and courts of the Soubahdars, &c-

CONNECTED with these circumstances was the mercantile situation of the native artizan, the manufacturer, and the merchant. After the fall of the court of Delhi, and of the courts of the Soubahdars and of the Nabobs, the demands which had been made for the productions of art, as ministering to the luxury of magnificence, necessarily ceased; demands

demands too, which, from their nature, returned their value through the merchant to the manufacturer, through him to the artizan and the cultivator of the soil, and by this current, not only kept the money in perpetual circulation in the country, but gave a constant stimulant to exertion and to industry. Instead, therefore, of ascribing the decline of the arts and of trade to the East-India Company alone, acting upon the policy of the Moguls, it is almost certain, that had not an outlet for Indian productions been afforded by the European companies, the fall of Eastern arts and manufactures, and the consequent distress of the natives, would have been more sudden and general.

It ought not also, upon this subject, to be forgotten, that the demand for Eastern piece and wrought goods in Europe was, from their novelty, greater, during the first period after we acquired our territories than during a later period, when that novelty had ceased. The taste in them had continued the same in the East, because no Eastern court remained to give them fashion. In Europe, the imitations of the fabric of Eastern piece and wrought goods began to gain ground, and our taste in the form or fashion of them to change and to improve. The demand, of course, decreased, though it has, in some degree, been restored by the imitations of the European taste, which have been introduced into the Indian manufactures.

This last evil, in part, removed by the demands from Europe.

If then, we bring the whole of these circumstances together, viz. that no imperial court existed in the peninsula,

CHAP. I.

Consequences of the Company's acquisition of territories, on the rise and fall of revenues.

to take off or to give fashion to the productions of the artizan or manufacturer, or profits to the merchant and trader; that the money in circulation was withdrawn, to be carried to a distant market; that the imitation of Eastern arts was lessening the demand for the produce of them in Europe; we discover, at once, the causes of the failure of that part of the revenues, which arise from duties and customs. Hence the merit of the Directors and of the executive power in introducing regulations, tending to give the landholder encouragement, by confirming him in his property, upon payment of a fixed rent; and hence the propriety of the measures which have been devised for encouraging the artizan, the manufacturer and the merchant, in our Asiatic provinces.

Result of the late enquiries on this branch of Indian economy, in a permanent settlement of land-rents,

WITH the object of introducing this liberal policy, the enquiries of the intelligent servants of the Company have been directed to investigate the history of the revenue, and to ascertain the present state of the districts in the Bengal provinces. For these purposes, the changes through which they have passed, the imposts to which they have been subjected, and the customs peculiar to each district have been investigated. In this way the ancient rights of the different orders of the landholders, and of the tenants, have been unfolded; a distribution of the provinces into collectorships introduced; the amount of the rent to government from each division fixed; and the inferior occupant, and the immediate cultivator of the soil, secured in the enjoyment of their property, upon payment of a moderate

and known sum to the principal landholders. Till these ends **SECT. III.** could be effected, it was impossible to know the persons with whom a settlement could be made, to come to any decision on the claims of the Zemindars, to make out a permanent assessment of rents, or to devise regulations for levying them.

It was now that the Mogul financial principle of collecting continually upon the actual produce of the land, and of dividing this produce between the sovereign and the immediate cultivator, was perceived in all its pernicious consequences, of concealment, fraud, and the multiplication of the immoral artifices by which the characters of men of every rank had been debased. It was now that the changes incident to the situation of the Zemindars, their fraudulent alienation of lands, and the mismanagement of the revenue servants of the Company, during the first years of the Duannee, were detected and explained. For this valuable information the Company are indebted to the activity and integrity of the Board of Revenue; and, on this information, have proceeded the regulations which have been devised, for doing away former abuses and rendering the financial power precise and responsible.

AFTER all, however, that has been done, and with all the accumulation of records of revenue, still time and experience will be required to ascertain the actual value of all the districts in the provinces. Enough, however, has been obtained to justify the introduction of a fixed rule of taxation, that shall be simple and invariable in its character.

CHAP. I.

rafter. To this the example of the Decennial settlement, with the contingency of becoming perpetual in Bahar, necessarily led. The objects in making the perpetual settlement were, to confer on the landholder the possession of the district which he occupies, on a fixed and moderate rent; to deprive him of the power of interfering with the situation of the Ryots, in the sums they pay to the state, under the pretext of making any addition to the revenue; and to leave to the sovereignty its right to exercise, from time to time, its authority in making such regulations, as may secure the ryot in his possession, and prevent his being loaded with unwarrantable exactions. Nor is this measure more political and wise, than it is liberal: it has not proceeded from any positive title in the natives to their lands, but has been a concession from the British government to the Zemindars and to the Ryots, which they never had been able to obtain under the mildest administration of their native Princes.

—in fixing
the rates of
duties and of
customs.

THE first assessment of lands, however, would have been but an ineffectual relief, had not the power of establishing Gunge Haut and Buzar, or market duties, been vested in the sovereignty alone, and had not the claim of the Zemindars to impose duties or customs, in their districts, been done away. Many of these Zemindars will possess extensive districts, which, with such rights, might have endangered the public safety.

HAVING thus pointed out the sources of revenue in the central provinces, with the measures which have been devised for assessing and collecting its various branches, it is reasonable to expect, from the activity of the Company and of the executive power, that the like measures (allowing for difference of situation and of institutions) will be followed up, in the British dominions on both coasts of the peninsula of India. For this public end, however, investigation and experience will be required, and the following propositions in connexion with the system of government which has been suggested, as suited to our Asiatic possessions seem calculated to become the basis of this improvement.

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Similar investigations, the means of giving a fixed character to the financial power, over all the Eastern dominions of Europe.

FIRST. It is proposed, that the financial power for our Indian revenues shall, in its constitution, rest upon the system of government, which we have attempted to point out as expedient and practicable for our Eastern dominions of every description. As the present Boards of Revenue in India, originated in this plan of government, and accord with it, in its most improved aspect, it will be expedient to continue them, preserving their relation, at the same time, with their respective presidencies, and with the supreme power in India; and the relation established between it and the Court of Directors, and the executive power in Britain.

1. Proposal for assessing and collecting the revenues through the Boards of revenue.

SECOND. It is proposed, that the rents of land shall, in general, be fixed, and the leases made perpetual, upon the plan which the instructions from the Court of Directors in 1786, Lord Cornwallis's judicious arrangements, and the

2. Proposal to fix the rents of lands, in general, and render leases permanent.

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system which has been detailed, have pointed out ; that is to say, that the Zemindars, or Hereditary Proprietors, shall have leases of their lands on a fixed rent, that these leases shall not entitle them to impose any new burdens upon the farmers and cultivators of the soil, under the pretext of tributes to the state; and that they shall be under the sole condition of fulfilling the articles, which have been stipulated with them by the sovereign power. Such a measure will recommend itself to the natives, as being an improvement upon the system of Acbar, and of Jaffier Chan, and at the same time, it must become an additional bond of their allegiance and attachment to the British Government.

3. Proposal to fix the duties on the produce of industry and the customs on trade.

THIRD. It is proposed to settle the duties upon trade, and indeed, upon all the subjects of industry at fixed and reasonable rates, and totally to do away the power of the Zemindars, Chowdries, Talookdars and Farmers, of imposing or levying arbitrary imposts. The right which the Zemindars had of keeping in their pay a sort of militia, to aid them in collecting the rents and duties under the former system of government, must, of course, be taken from them; the military establishments, under the order of the civil power, being deemed sufficient for all the purposes of sanctioning the established laws.

4. Proposal to hold out encouragements to industry and trade among the natives, our subjects.

FOURTH. It is proposed, with the object of improving the Indian revenues of all the preceding descriptions, to give every possible encouragement to the natives, who may direct

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rect their industry to the production of the raw materials required in the British manufactures, or to the manufactured Indian produce in demand in Europe. The encouragement of the former will obviously be for the mutual advantage of India and of Britain; the encouragement of the latter, must turn upon the principle of not checking our home manufactures, which are imitations of the Indian, and yet not abridging the Company's sale of Indian manufactured produce, either at home, or for re-exportation to foreign markets.

HAVING thus suggested propositions on the subject of assessing and collecting the rents and duties in our Asiatic provinces, we have in the next place to mark out a line for the appropriation of them.

Appropriation of the Indian revenues, assessed and levied upon these principles.

It is to be recollected, that the property of the Company consists of two distinct kinds, viz. their capital stock, goods and other effects in Britain, which may be considered as the original basis of their trade, or as their home property; and the articles of their trade, debts due to them in India, and the revenues arising from the provinces, which may be considered as their foreign property. It is also to be recollected, that till the effects of the late peace can be fully and experimentally known, it will be impracticable to say what appropriation to the support of the establishment of our new dominions may be required. These, however, are contingencies inseparable from the nature of the Asiatic dominions and trade of Great Britain.

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ON the average of three years preceding the war, the revenues of Bengal, Madras and Bombay, amounted to £.6,897,730 per annum, and the charges incurred in the civil and military establishments to £.5,233,717 per annum, leaving a net revenue, after allowing £.50,000 per annum for the expenses of Bencoolen and Pinang, of £.1,614,013. In an estimate lately drawn up by the Court of Directors, the countries ceded to the Company by Tippoo Sultan at the termination of the war, are stated to produce £.390,000. In this estimate, the total revenues of the British provinces in India are computed at £.6,963,625, and the future civil and military charges at £.5,238,125, leaving a net revenue of £.1,725,500, out of which the interest payable on the debts in India is stated to be £.561,923, which would leave a net surplus of £.1,163,577, or, allowing for commercial charges (£.104,450) the net amount to be realized at home through the medium of trade, or to be applied to the liquidation of debts in India is £.1,059,127.

1. Proposal to appropriate the revenues to the military, marine, and civil charges-

FIRST. It is proposed, that a preferable appropriation shall be made to the payment of the military and other necessary charges required to maintain the foreign settlements of the Company. From the nature of our military power in India (to be afterwards described), as consisting of European and native troops, large supplies must frequently be necessary; and these, from the distance of India from Europe, could not be sent in the requisite time. Supposing then that the arrears to the European branch of our force could be allowed to run up to a large amount, by our depending on the

the innate love of their country so decidedly a part in the character of British soldiers and sailors, it would be dangerous to make the same supposition respecting the natives. In every age and amid all the revolutions in Hindoostan, immediate payments have attracted the natives to or drawn them from the standard of their leaders. Though their notions of the punctuality and honor of the British nation have confirmed in them, (during the successive wars from 1778 to 1792) a belief in the credit due to the English, scarcely compatible with the Indian character, yet this cannot always be depended upon. Credit may be shaken by the breath of opinion, or by the insidious artifices of enemies. The attachment of an Indian soldier may waver with either, and shift from a British General as it did from their own Emperors, or from one of the sons of these Emperors to another, or from the usurper of the power of to-day, to the usurper of the power of to-morrow. It is but justice, however, to say, that if promises and payments are fulfilled and made, the natives of India are as little deficient in their attachments as they have proved themselves to be in their courage: but if promises shall be broken and payments withheld, a doubtful or a disastrous campaign might dissolve their allegiance and annihilate their confidence. The appropriation therefore of the revenues to the charges of the military and marine establishments, must, in the moment of war, supercede every other payment, and during peace, the support of such military establishments must be provided for, as may be requisite for the defence of our settlements, and may impress the natives with the belief of our

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power, not only to overcome any confederated force in India, but to render aids to our enemies, from a rival power in Europe, hopeless and impracticable. Under this proposition will also come to be included the payment of the civil charges. On this subject, it may be proper to keep in view the nature of an Indian civil establishment, viz. that it consists not only of an executive power, but of offices for the administration of justice, and factories for the purposes of trade. In all of these views, the appropriation may, from the character of the officers, be employed, and of the duties required of them, will safely admit of a longer delay of payment in consequence of the known credit due to the Company and to the nation, than the appropriation to defray the charges of armies or of a marine.

2. Proposal to appropriate the revenues to the payment of the Company's debts,

SECOND. It is proposed, with the object of invigorating the credit of the Company, that a plan should be formed for enabling them to discharge their debts. Two measures suggest themselves for this important purpose, viz. that the Company should be empowered to fund their debt abroad and at home, or that they should be empowered to increase their capital stock. Both measures require explanation, that the plan, which will most immediately produce the end, may be selected and adopted.

—either by funding them in India and in England;

THE method of funding their debts we have treated of in delineating the plans which have been suggested for the future management of Indian affairs, since the period at which the controuling power over them was introduced

by Act of Parliament. Should this plan be adopted, it must be enacted, that the different Presidencies of Fort William, Fort Saint George and Bombay should have power to take in subscriptions by way of loan, at a rate of interest not exceeding 8 per cent; that the outstanding paper should be accepted of, at par, in payment of these subscriptions; that the money received in the treasuries of each Presidency should be applied to take up the outstanding shares or paper not subscribed for; that the limit of the subscription should be ascertained by keeping open the books in India, until a sum equal to the existing debts of the Company abroad, bearing interest, should be subscribed for, and that this should be termed the *Foreign Indian Fund*; that the current annual interest should be made payable half yearly, at the respective treasuries of Fort William, Fort Saint George and Bombay; that, in specific and unqualified terms, the revenues of all the British possessions in India should be the security to the subscribers; and, that the regular payment of the interest, free of all taxes, fees or gratuities should be preferable to every other demand, the military and marine charges of the Presidencies alone excepted. To correspond with this foreign fund, it should also be enacted (with the object of accommodating such persons in India as may wish to realize their fortunes in Britain, and with the object of encreasing the fund for investments), that the Company should be empowered to open books, at the East-India House, for a subscription at 4 per cent, on the credit of the profits of the Company's trade and of the surplus revenues of India; that the subscribers to the foreign fund

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should be permitted to have shares transferred and written off, from the books abroad to the books at home; that the rate of exchange, at which transfers are to be made, should either depend on a special agreement with the Governor-general and Council, and Presidents and Councils, and the party transferring; or be determined by the rate which the Company, at the time, allow for money in exchange for bills on Europe, and that the amount to be thus transferred from India to the books at home, should constitute what might be termed the *Home Indian Fund*.

It is obvious, that this plan of a foreign and a home Indian fund would ultimately produce the end of enabling the Company to liquidate and discharge their debts, and not less so, that any contingencies which might interrupt the progress of the Company, in carrying this measure into effect, might be provided against. Should, for instance, a war break out in India with any of the native Princes, or should hostilities commence between Great Britain and any maritime European power, which might have the effect of preventing the regular payment of the interest on the shares of the foreign Indian Fund, then, the interest might immediately become principal, and carry the same rate of interest as the fund itself did, from the day at which each half yearly payment of the interest on the shares of the stock should become due. It is also obvious, that in the event of the holders of shares, in the foreign fund, wishing to transfer their money to the home fund, the Governor-general and Council, and the Presidents and Councils might be vested with the power of transf-

transferring such shares, and the certificates of the proper officers entitle the party to an equivalent stock in the fund at home. If it should happen that transfers of this kind should not be required by the holders of the foreign stock, the Governor-general in Council, or Presidents in Council, might be empowered to transfer a part of the foreign to the home fund, by borrowing money in India, the lender of which should be entitled, on the day of the loan, to a value in stock in the home fund, equal to the advance he had made in India; the price of the stock depending on the market price of the stock at home, on the day on which the transfer had been made abroad: by this means the party lending would be entitled to interest, as if a share had been placed, in his name, on the books at home, on that particular day, it being easy to declare the interest on the sums, so borrowed and transferred, to be payable at the same half-yearly periods as the interest of the funds in India. In the event of the Company being in a situation to redeem the whole of the sums subscribed abroad, or transferred to the home fund, they might be empowered to do so by instalments, of not less than a tenth part of the amount existing in both funds, upon giving three months public notice to the holders of shares, and paying up the interest to the day on which the stock is actually redeemed. It ought, in this case, to be understood, that the amount redeemed should be equally divided among all the subscribers, without preference. Such a measure would establish an equilibrium in the credit of the Company in India and in Great Britain, in so far as regards the funded debt abroad and the debt trans-

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ferred home. The amount of the interest payable abroad would thus be lessened by every exchange or transfer from India to Leadenhall Street. An easy mode would, by this measure, be opened of remittance to the Company's servants and British inhabitants in India, and, in general, to the European inhabitants in Hindoostan, having interests or trade, of remitting their money to Europe, through a medium in itself more certain than possibly could be held out to them by the other European Companies, who neither have possessions nor trade, connected with revenues, in the Peninsula of India.

—or by enabling the Company to encrease their capital.

THE second method of enabling the Company to discharge their debts, is to vest them with power to encrease their capital to a certain specified amount. To understand this plan, it is only necessary to advert to the amount of the debt abroad and at home, and to consider whether this would not be the most effectual means of speedily liquidating and discharging it.

FROM the Company's accounts it appears, that the debt in India in January, 1792, amounted to £.9,084,550, and the debt at home, including the transferred debt from India unto £. 10,601,069, that a surplus on the whole of the trade and revenues will remain, of £.739,241*, after discharging an-

* Estimate of the probable revenues and charges of India on a peace establishment, reported to the Court of Directors by a Committee of Accounts, 15th February, 1793.

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usually, £500,000 of Indian debt, and after paying charges of customs, freight, and of merchandise, dividends upon stock, and every other burden at home. By the annual payment of £500,000 the debt abroad would be rapidly (and perhaps more so than the creditors would wish) reduced to three millions, which sum, it would be eligible and convenient, should remain a debt in India. sect. III.

AFTER allowing first, a sum equal to the amount of the debt due by Government to the Company, leaving that to be set off against the annuity due, or that may be sold by the Company, and after leaving out the capital due by the Proprietors of India stock, amounting to £5,000,000, and such floating debts as occur in the common course of the Company's business, (because a full equivalent for both of these will be found in the assets of the Company at home, afloat and abroad, amounting by last statement to £12,913,854, exclusive of the debts owing to the Company in India) the debt at home, including the debt transferred from India, would not exceed £4,000,000. Taking this as the amount, and supposing that the Company would not think of reducing the amount of bonds in the market, lower than £1,500,000, the debts for which provision is to be made, would be £2,500,000. This debt may be speedily extinguished by enabling the Company to increase their capital stock £1,000,000; for, from the state of the surplus (as will appear in a subsequent proposition) the Proprietors ought to have a dividend of ten instead of

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eight per cent. on their capital; this would enable the Company, upon the encreased capital of £.1,000,000 to raise £.2,000,000; because the subscribers to this additional capital, whether they be the present Proprietors, or a new set of Subscribers, would receive the same dividend with the Proprietors of the old stock.

This last the most immediate means of discharging the debts.

THIS method, therefore, of encreasing the capital seems to be preferable to that of funding the debt, because it would more immediately produce the great end of a rapid liquidation and discharge of the debt, and raise the Company's credit by an encrease of the dividend upon their capital stock.

3. Proposal to appropriate the revenues to the support of the Company's investment.

THIRD. It is proposed, to appropriate a sum to the support of the Company's investment. From the extensive sale of Indian goods, this sum, including the supplies to be sent to China, ought not to be less than a crore of rupees, or a million sterling annually, besides the amount which may arise from the sale of European goods. In this appropriation, the investment should be annually encreased, (as there is little doubt but it may be) in the proportion that the debts in India are reduced, either by the liquidation of them there, or in Europe.

4. Proposal, appropriation of the surplus,

FOURTH. Having pointed out the mode of assessing, collecting and appropriating the Indian revenues, upon the supposition of a permanent state of peace and of commercial

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mercial exertion, a surplus may be expected to arise from the whole concern. From the present state of affairs, as deduced from the Company's accounts, it appears, that after annually discharging £.500,000 of the Indian debt, and after paying charges of merchandize, dividends upon stock, and every other burden at home, there will remain a surplus of £.739,241, even taking the trade in an unfavourable light, and without bringing into the account the improvements, of which it is susceptible, or the diminution of existing expenses.

It is therefore proposed, that the Proprietors should have a dividend of 10 instead of 8 per cent. upon their capital; since on a retrospective view of their affairs, 8 per cent. is rather less than the commercial dividend was, upon an average, before they obtained possession of the territorial revenues. This encrease of the dividends is the more reasonable, if we take into consideration the many wars in which the Company have been engaged, and the risks which their possessions and trade, and, of course, their capital has experienced.

—to an increase of the dividend from 8 to 10 per cent,

It is also proposed, from the Public having a legal right to the territorial revenues which have been obtained in India by cession or conquest; from the administration of the revenues being permitted to remain in the hands of the Company, without any surrender of the right of the nation to dispose of them; from continuing the remittance

—and to an annual participation of the residue with the Public,

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of the surplus, through the medium of the East-India Company; and from the advantages which the trade has received by the Commutation Act, that an annual participation of not less than £.500,000 of the surplus (if that sum should remain after answering the other claims) should be made with the nation.

—increase of
surplus to be
the Com-
pany's.

WHATEVER further surplus may accrue, from an improved state of the revenues and of the trade, ought to be appropriated as a security to the Proprietors for their capital stock; if, from any accident or unforeseen calamity, either the capital itself should be affected, or if there should not be means of keeping up the dividend on the capital to the amount above specified. This will tend to preserve the credit of the Company's stock, and protect the Proprietors from the danger, which the uninformed and unwary among them might be exposed to, by any sudden or unexplained fluctuation in the price.

Contingen-
cies upon
which all
these appro-
priations may
depend.

UPON taking a general view of the financial power required for our Indian dominions, in connexion with the trade of the East-India Company, it will be readily admitted, on leaving these propositions for consideration, that though it is not difficult to discover the foundations upon which this financial power must rest, yet it is impossible to foresee the thousand contingencies upon which the appropriations may depend. On the progress, for example, of agriculture, arts and commerce in India; on the perma-
nence.

nence of peace in India; on the rapid or slow liquidation of the debt of the Company; and on the military or civil charges in our old or in our new dominions. Let events, however, happen as they may, since they cannot alter the principles upon which a plan of government for our Asiatic dominions must rest; neither can they, the character of the financial power required to make that government practicable in India, or productive in Britain.

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HISTORICAL VIEW
OF PLANS.
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

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SECT. IV.

OF THE MILITARY POWER REQUIRED UNDER THE PRECEDING
PLAN OF GOVERNMENT.

CONTENTS.

*Nature and Objects of the Military Power.----In Hindoostan
it was coincident with the Nature of the Mogul Go-
vernment.---In Governments like Britain, it is difficult to con-
stitute it as it becomes a Subject of political jealousy.---In India*
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it must accord with the Government required to secure the Allegiance of the Natives.---Historical Sketch of the East-India Army and Marine. Opinion of Lord Clive, after he had new-modelled the Army. Constitution of it on the Establishment of the territorial Power of the Company.---Changes which have taken Place in the European and Sepoy Corps since that Period.---State of the Military Establishments in India, at the Conclusion of the War, 1783-4.---State of the Military Establishments in India at the opening of the late War.---Estimate of the Military Charges at this Period.---Deficiencies in the Company's Armies,---in point of Recruits,---in the Discipline of the European Corps,---in the Confusion which has arisen in adjusting the respective Ranks of the King's and Company's Troops.---The Arrangement of the Military Power, to be a Subject of future Consideration.---Suggestions on this Subject.---1st Suggestion. The Indian Army to be an Establishment distinct from the British.---2d Suggestion. The Appointment of the Commanders in Chief to remain with the Company.---3d Suggestion. General Army Promotion to continue by Seniority.---4th Suggestion. The Appointment of Cadets to be in the Court of Directors.---5th Suggestion. The Company to have the same Privilege of recruiting as the King's Army.---6th Suggestion. Proportion of Recruits required annually.---7th Suggestion. Distribution and Subordination of the Company's Marine.---8th Suggestion. Code of Military Regulations for India.---General Inference from the Whole of this Military System.

THE military power in every government signifies that force which the Sovereign employs to defend his dominions from the attacks or encroachments of neighbouring nations, or which he directs to aid the magistrate in carrying into effect the laws, by which the rights and privileges of his subjects are maintained and protected.

Nature and objects of the military power.

IN an absolute government, both the constitution of the military power, and the rank of those who are to exercise it are easily defined and understood. The Sovereign here forms an army to be the instrument by which he is to render his government efficient, and, of course, he assigns to it the first and most honorable rank among his subjects. Of this kind was the military power of the Moguls on their first establishment in Hindoostan, and during the period of their empire; under them the Vizier or first Minister could assume the command of the army, or he could entrust this command to the Buxshi, who (properly speaking) was a military officer only. Under this arrangement it frequently happened that adventurers from Persia, Afghanistan and Tartary, and sometimes from among the

In Hindoostan, it was coincident with the nature of the Mogul government;

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Mahomedan inhabitants of India, had a rapid promotion in the army, and had provinces allotted to them, of which they sometimes became the Soubahdars. During the vigor of the empire, these officers were removable at the pleasure of the Sovereign, but as its fall approached and the energy of the administration at Delhi became enfeebled, the Governors of provinces began to attach the army to their particular views and interests, paid them by illegal extortions from the inhabitants, and thus paved the way for usurpation and a declaration of independent power. Events of this kind, more than any other cause, contributed to the fall of the government; for the moment the military power in an absolute monarchy begins to have any source, but in the Sovereign, his authority is hastening on to its decline and extinction.

—in governments like Britain, it is difficult to constitute it, as it becomes a subject of political jealousy;

IN free and well regulated governments, the constitution of the military power is subject to none of these contingencies, because those who exercise it neither hold the first rank among the subjects, nor have opportunities of rendering their authority dangerous. The military is here subordinate to the civil power, and the army a perpetual subject of jealousy and of political restraint. Out of these circumstances has arisen, in every free government, the difficulty of rendering the military power equal to all the purposes of defence, and, at the same time, of giving to it an energy and a consistent arrangement.

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It is a military power of this last description, which, after the experience of a century, has been established in Great Britain, and it has required all the wisdom of the Legislature to define it in such a manner that it should not become dangerous to the subject, and yet should be equal to all the purposes of defence against domestic commotions or foreign enemies.

It may easily be supposed, under such circumstances, that much difficulty will be experienced in forming a military power, suited to our Asiatic dominions. This difficulty arises from our notions of a military power in Britain, being different from the character it must possess in India; that such a power, however, must be established in India, is obvious; that it must accord with the government required for the natives and with the judicial and financial powers in that government, will readily be admitted. That it will require the fullest deliberation of Parliament to give to it all its requisite characters, and yet to accommodate it to the spirit of the British constitution, is not less certain; it must consist of an army and a marine, equal to the exigencies of war in India, whether against native States and Princes, or against European nations having interests or trade in the East, and to the vigorous support of the civil and commercial establishments; it must be formed in such a manner as not to throw an unconstitutional weight into the executive or legislative branches of the constitution; and it must be arranged upon principles so simple and defined, as to prevent jealousies either respecting rank or emo-

—in India it must accord with the government required to secure the allegiance of the natives.

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luments among the different orders of men who are to compose it, or to direct it.

UPON the most general view of these requisites, in the constitution and character of a military power in India, it must appear to every impartial judge, to be that branch in the plan for the future government of our Asiatic dominions, upon which men will be most apt to form opposite opinions. The Company will naturally prefer the military power which has eventually grown up under their administration, and procured its Asiatic dominions to Great Britain; and argue that it is experimentally the best. The state will look back to the exertions which have been made, in a succession of wars, in supporting the Company with armies and with fleets; and, from the public confidence to which both are entitled, consider that the military force ought, constitutionally, to be placed under the controul of the executive government. The officers of the Company's armies will with reason think, after they have devoted their lives to a service of the most material importance to their country, and weathered all the dangers to which an unfriendly climate and hard service have exposed them, that both from their acquired knowledge of their duty, and well-earned fame, they are entitled to the gratitude of their masters, and to participate in the rank and honors which may be assigned to the British military establishment in India.

UNDER such opposite, but equally reasonable expectations, it is impossible that the Legislature or the Public can come to a decision, by any other means than by reviewing the facts in the interesting Military History of Great Britain in India.

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Historical
sketch of the
East-India
army and
marine.

THE London East-India Company when they first established their factories or seats of trade, found it necessary to send out military force to protect their civil servants from European depredators, as well as to guard their property from the violence and avarice of the country powers. The number of these guards of factories were gradually increased, and the power of subjecting them to military discipline and law conferred upon the Company by successive grants and charters. The state was convinced, at an early period in the Company's progress, that the mercantile plan of purchase and sale, without a force to protect the merchandize, would be unintelligible to the natives; and that the trade to the East-Indies must be relinquished, unless the seats of it could be protected. A power was accordingly given to the East-India Company to exercise martial as well as civil law within their limits. The state was also satisfied, that it must authorize the Company to purchase from the Moguls or their officers, permission to fortify the seats of their trade, and to defend the circumjacent districts which furnished provisions to their servants. Hence the source of the powers of the Company to make war or peace with the country powers, to establish a marine, to embody an army, and by it to second their commercial enterprizes.

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THE London Company had to struggle not only with the power of other European companies, and to ward off the attacks of the native powers; but it had also to resist the interlopers who, under the authority of licences from the crown, were endangering almost the existence of the trade. It may easily be supposed, that the Company's garrisons, at this juncture, would be composed of the very dregs of the people, and be commanded by officers who neither had knowledge sufficient to discipline soldiers, nor the feelings of honor essential to the military character. Hence, even at Bombay (the principal seat of the Company's ancient military power) nothing but the sense of safety kept the troops to their duty. In several instances, they were as ready to join the interlopers, as to support the masters to whom they had taken the oath of fidelity. The marine of the Company, at that settlement, from an imitation of the discipline in the British navy, was better constituted than the army, and of more essential service; though still it was not equal to the wars in which this presidency were involved. Hence the assistance of the King's ships became necessary in the expedition against the pirate Angria, and in that for obtaining the Tanka of Surat; and this, even, after the commencement of the war which terminated in the acquisition of our territories.

THE troops which the Company kept at Calcutta, as well as the marine on that station, were inferior to those of Bombay; for it was not till France had begun to carry into effect its ambitious scheme of becoming an Indian power
on

on the coast of Coromandel, and had set the example of embodying regiments of natives, to be commanded by European officers, that the Company thought of forming either military or naval establishments equal to the defence of their settlements.

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SUCH were the events and circumstances which first led the Company to encrease their European and Native troops, and to procure for them the privilege of sharing in the booty or prizes taken in war, in common with His Majesty's navy and forces, by which they had been assisted. A short time, and brilliant successes, enabled the Company to support military establishments, proportioned to the services required in their new dominions; and led Lord Clive to the comparison, "that formerly the Company's troops consisted of the refuse of our gaols, commanded by an officer seldom above the rank of lieutenant, and but in one or two instances with that of major; without order, discipline, or military ardor: that now" (meaning the period after our acquisitions in Bengal and on the Coromandel coast) "the Company's armies were equal to those of any European monarch, in number, discipline, and skill."*

Opinion of Lord Clive. after he had new modelled the army.

It becomes, therefore, necessary, to state the circumstances which marked the formation of our Indian army, which, with those that led to the establishment of the Com-

Constitution of it, on the establishment of the territorial power of the Company.

* MS. in the possession of the Right Hon. Henry Dundas.

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pany's marine, will lay open the nature and extent of both, and enable us to judge of the alterations which it may be proper to introduce into either department. After the Company acquired its possessions, large military establishments were formed in Bengal, and on the coast of Coromandel; and a considerable army and marine kept up on the Malabar coast, though our possessions, in that quarter, had as yet extended little beyond their ancient limits. Each of these establishments was distinct from the other, in the military sense of distinction, viz. the cadets, who were sent out to these separate settlements, took their rank in the army of each of them, rose by seniority from the lowest to the highest commission, and could not be transferred from one establishment to another, without the consent of the Directors. When the troops of these settlements acted in a body, however, the command devolved upon the officer of either, whose seniority in rank entitled him to assume it. In each settlement too, there was a corps of engineers, and of artillery, the officers of which had obtained both regimental and army rank.

Changes which have taken place in the European and Sepoy corps, since that period.

It was impossible that this force could be composed entirely of Europeans, though both the Company and Government, at that period, were of opinion, that a body of them sufficient to lead on and to encourage the Sepoy corps, was required from the nature of the service. Hence the permission which the state gave after the peace 1748, and the peace 1763, to the soldiers of the King's regiments returning from India, to enlist in the Company's service; and hence

hence the encouragements which were held out to the King's officers to accept of commissions in the Company's armies and marine*. European regiments, of consequence, were formed in each of the Presidencies, and a still larger proportion of Sepoy battalions embodied, to be disciplined and commanded by European officers. No distinction, however, was introduced between the officers of the European regiments and the European officers of the Sepoy battalions; on the contrary, the cadet was placed in either, as a vacancy upon his arrival required his service. His rank went on in the army by seniority, and his promotion was made as vacancies happened in the rank to which he was entitled. By these means an officer often passed from the command of a Sepoy to that of an European battalion, and from his habits and knowledge of the language of the country, as well as of the routine of the service, was equally fitted for either station.

It is here to be adverted to, that though the European officers disciplined and commanded the Sepoy battalions, these corps had also their native officers, accountable to the European Commander, for the conduct of the soldiers under them. Hence, when any crime was committed by a Sepoy soldier, he was tried by the military law, in presence of the native officer, to whom was assigned the infliction of the punishment he had deserved. It was by this measure, as well as by the sense of interest, that the Sepoy corps became

* Company's correspondence at both of these periods

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attached to a service, in which a proper regard was paid to the prejudices and peculiarities enjoined by their usages and religions. Attention was also given to excite emulation among them, as well as dependence on the European officer, by having one-half of the battalion composed of Hindoos, and the other half of Mahomedans.

THE regular supply of cadets from Europe, and the wise institution of Lord Clive, of giving to each battalion its proper proportion of field officers, and of forming the military force, in each settlement, into one or more brigades with their proportion of field officers, in a short time produced a very material change upon the discipline of the Sepoy corps, and upon the sentiments of the officers with respect to the command of them. It now became an object not only of ambition, but of interest, to be removed from the command of an European regiment to that of a Sepoy battalion, till in later times it has been a rule of the service, for the youngest officers entitled to command a battalion, to have the European corps assigned to them. This circumstance had the effect of giving to the Sepoy corps the oldest and most experienced officers; men who had conducted a variety of expeditions, and who united in their characters the habits of military obedience, as well as the capacity to command. It had also the effect of rendering the Sepoy battalions equal, if not superior to the European, in discipline and in military ardor, illustrating thus the maxim, in the art of modern war, that discipline will make men, in every situation, capable of acquiring excellence in it. Nor has the fact been found contrary to this theory; since one Sepoy

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corps

corps crossed the Continent of India, while the Bombay army, with its proportion of Europeans, were unable to resist the Mahrattah power; and another had the steady discipline to receive on their bayonets and to disperse the French infantry at Cuddalore. So great were the exigencies of the service, during this war, that the Governor-general and Council were obliged to have recourse to the dangerous expedient of forming a native corps of artillery, whose services, in the celebrated expedition of General Goddard, were publicly acknowledged and rewarded.*

SUCH have been the circumstances which have marked the rise and progress of the Company's military establishments down to the conclusion of the war 1784.

At the end of this war, the Bengal establishment consisted of a regiment of artillery, of 1000 privates, and 85 officers, with an independent corps of native artillery composed of two hundred Golandauze; each of the battalions (into which this regiment was divided) had their proportion of *Lascars*†. On the Bengal establishment also, was a corps of engineers, consisting of fourteen officers, three regiments of European infantry, consisting of 1000 men each, with 77 officers, making in the whole 3531 effective men. Upon this establishment also, were 36 regiments of native infantry, and one of light infantry, each composed of 1050 men, with

State of the military establishments in India, at the conclusion of the war, 1783-4.

* The non commissioned officers and privates of this corps, upon their return to Bengal, had silver medals presented to them by the government, and lands assigned them as a retreat.

† The *Lascars* serving with the artillery as a body of natives, trained to take the laborious parts of this duty. At the conclusion of the war, they amounted to about 5000, but are not included in the subsequent returns of the army.

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13 officers to each, making in the whole 481 European officers, and 38850 natives. The cavalry on this establishment consisted of four regiments, each composed of 14 European officers, and four non-commissioned officers, with 534 natives, making in the whole 72 Europeans, and 2136 natives. Besides this regular army, in the year 1782-3, some battalions were raised at Chittagong and Buxar, which, with the militia, consisted of 59 European officers, 12 non-commissioned Europeans, and 8296 natives; to this force may be added, a company of European rangers, composed of deserters, chiefly from the French service, amounting to 114 privates, and four European officers, a small body of European cavalry, and the Governor's body guard, consisting of six Europeans and 108 natives. The whole establishment in 1782, thus comprehended, of Europeans, 938 officers, and 4446 non-commissioned officers and privates, with 49390 natives, or about 54774 men.

At the same period, the Madras establishment consisted of a battalion of European artillery, composed of 66 officers and 800 privates, with the proportion of Lascars. A corps of European engineers of 14 officers, two regiments of European infantry, having 67 officers and 1134 privates each, making together 134 officers and 2268 privates. A troop of cavalry of three officers and 58 privates; 29 battalions of native infantry, consisting of 11 officers, 87 non-commissioned officers (Europeans) each, with 908 natives. A battalion of light infantry, with the same number of European officers, and 782 natives, making in the whole 540 Europeans

Europeans and 27140 natives; to this force may be added, SECT. IV.
 23 independent companies, with 23 officers and 23 non-commissioned European officers each, and 1794 natives; six battalions of Sibbendy corps, composed of 24 officers and 120 non-commissioned officers (Europeans), and 6000 natives; a militia with two officers and 15 non-commissioned officers (Europeans) and 2151 natives. The regular Madras establishment, thus, was composed of 596 officers 3494 non-commissioned and private Europeans, and 37085 natives*. At the same period, the Bombay establishment consisted of one battalion of European artillery, of 34 officers and 416 privates, with its proportion of Lascars; a corps of engineers composed of 13 officers; one battalion of European infantry, comprehending 78 officers and 1448 men, 16 battalions of native infantry, each consisting of 7 officers, 11 non-commissioned officers (Europeans) and 854 natives, making 112 officers, 176 non-commissioned officers, and 13,664 natives; one battalion of native Portuguese, composed of 6 European officers, and 465 natives; to this force may be added, a corps of irregulars, at Tellicherry, amounting to about 267 natives. The Bombay establishment at this juncture (1782) thus, amounted to 243 officers, 2040 non-commissioned and private Europeans, and 14396 natives.

* Though such was the regular Madras establishment in 1782, there was, during the war, an additional force of four regiments of cavalry, taken from the Nabob's into the Company's pay; a battalion of native infantry was likewise raised, during that period, consisting of eleven officers, eleven non-commissioned officers, Europeans, and eight hundred Natives.

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THE whole of the Company's military establishment, then, at the conclusion of this war, may be calculated at 112628 men, to which, if His Majesty's troops, then serving in India, shall be added, the whole of the British force, serving in India, may be calculated at 124000 men.

THE expenses of supporting such a force (if an allowance shall be made for the batta, or double pay, given to the troops in the field) with the charges for the King's troops, may be calculated at about £.4,000,000 per annum.

THIS will appear from the following return of the army for 1782 :

	Europeans.		Natives.	Total.	Calculated Expenses.
	Officers.	Privates.	Privates.		
Bengal -	938	4,446	49,390	54,774	£. 1,945,514
Madras -	596	3,494	37,085	41,175	531,192
Bombay	243	2,040	14,396	16,679	255,490
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,777	9,980	100,871	112,628	£. 2,732,196

To this force may be added, ten of His Majesty's regiments sent out from Great Britain and Ireland to India, in the course of the war, and two Hanoverian regiments, the establishment of which amounted to

9024 British
2164 Hanoverian*

11,188*

* This estimate is exclusive of officers.

THE total of the military expenses in 1782-3 appear, from the accounts laid before Parliament, to have amounted to £.4,000,000 sterling per annum. SECT. IV.

THOUGH peace was restored in 1784, and it was necessary to keep up a respectable force in India, it became expedient, for the purpose of reducing the expenses, to new model the whole of the military expenses.

BEFORE mentioning the returns of the army in 1788-9, or the amount of the expenses, will be proper to recollect the state of Europe, at this juncture. The defence of our Asiatic possessions required a reinforcement of four regiments of foot. Upon their arrival in India the King's troops amounted to nine regiments of foot, and one of cavalry, consisting in the whole of 387 officers, 56 staff, and 7602 non-commissioned officers and privates. These troops were not allotted to any particular settlement, but intended for such general services, as might be required from them. The regiment of cavalry and six regiments of infantry were continued at Madras; a circumstance which enabled that presidency to reduce their native infantry from 36 to 30 battalions; two regiments were stationed at Bombay, and one at Bengal. The general state of the military force in India in 1788-9, will appear in the following return of the army:

State of the military establishment in India, at the opening of the late war.

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B E N G A L.

	EUROPEANS.			NATIVES.
	Officers.	Staff.	Non-Commis- sioned and Privates.	
Artillery, 3 battalions	81	12	1,110	
European Infantry, 6 battalions - - -	162	30	3,696	
Engineers - - - -	22			
Native Cavalry, 2 regi- ments - - - -	8	2	2	468
Native Infantry, 36 bat- talions - - - -	336	72	288	23,040
	<u>609</u>	<u>116</u>	<u>5,096</u>	<u>23,508</u>

M A D R A S.

Artillery, 2 battalions	54	8	740	
European Infantry, 2 ditto	108	20	2,464	
Engineers - - - -	22			
Native Cavalry, 5 regi- ments - - - -	35	15	30	2,460
Native Infantry, 30 bat- talions - - - -	280	60	240	19,200
	<u>499</u>	<u>103</u>	<u>3,474</u>	<u>21,660</u>

BOMBAY.

	EUROPEANS.			NATIVES.	
	Officers.	Staff.	Non-Commissioned and Privates.		
Artillery, 1 battalion	27	4	370		
Engineers - - -	12				
European Infantry, 2 battalions - - -	54	10	1,232		
Native Infantry, 12 bat- talions - - -	112	24	96	7,680	
	205	38	1,698	7,680	Total.
Total Company's troops	1,313	257	10,268	52,848	64,686
Total King's troops -	387	56	7,602		8,045
	1,700	313	17,870	52,848	72,731
Total Europeans - -	19,883				

UPON the approach of the late war with Tippoo Sultan, it became necessary to make additions both to the King's and to the Company's troops. One troop was added to the King's regiment of Cavalry, and two companies to each of the regiments of Infantry. A detachment also of the Royal Artillery was sent out, under a field officer, consisting of 245 effective men. By these additions, the number of King's troops serving in India, was about 10721. For the same reason the Company were obliged to encrease their Sepoy corps from eight to ten companies in each regiment, which has made an addition of about 10000 effective men.

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Estimate of
the military
charges at
this period.

THE charges of so large a military establishment, agreeably to the statement laid before Parliament in 1788-9 (including military contingencies and the expense of invalids, &c.), might amount to about £.3,000,000 per annum. In this charge, however, the expenses of the King's troops are included as the Company have defrayed the charges of those sent out since the late war, and paid to the Crown 2 lacs of rupees or (at 2s. 1d.) £.20,833 for every regiment of 1000 men. The Company also defray the contingencies.

Deficiencies in the
Company's
armies ;

UPON a general view of so large a military force in India, it certainly might be deemed equal to the purposes of protecting the British settlements from the attacks of the European or of the native powers, as well as for those of supporting the government in the different Presidencies. Several embarrassing circumstances, however, have occurred, both during the war and since the peace 1784, which have experimentally proved, that the military arrangements in India are deficient, and that they require amendment and reform.

—in point of
recruits,

It has, in the first place, been found, that the European corps in the Company's service have been deficient both in men and in discipline, and scarcely fitted for any but garrison duty. The source of the deficiency requires to be explained.

THE Company have hitherto been precluded from recruiting with the same advantages which the King's troops enjoy ;

enjoy; and, at a great expense, have been compelled to seek their men from the refuse of the capital and of jails, or to accept of deserters from the King's regiments. Neither in morals nor in constitution could such men be supposed qualified for military service, much less for one in a climate which requires youth and vigour to habituate the European to its varieties.

IN the second place it has been found, that the most experienced officers, in the Company's service, have been promoted to the command of the Sepoy corps, instead of being attached to the European regiments. If, originally, the command of an European battalion was the object of ambition to the Company's officer, now, that of a Sepoy regiment attracts his wishes: in this situation, he knows, that he has the best chance to obtain a separate command, as well as the fairest prospect of acquiring a fortune. When a vacancy, therefore, takes place in a Sepoy battalion, it is filled up by the oldest officer commanding an European regiment; and the officer promoted, from the inferior rank, takes his place. Hence the reason why Lord Cornwallis found, "that the European regiments were inferior in discipline to the Sepoy corps." The embarrassment already referred to, under which the Company are placed in recruiting, sufficiently explains the difficulties which they have experienced in finding a sufficient number of serviceable men. Both of these circumstances may be illustrated by his Lordship's report of the artillery, which he pronounced "to be equal to any in Europe." From this regiment the

PART. II.

—in the discipline of the European corps,

officer

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officer has no opportunity of shifting to a Sepoy battalion; of course, his attention is fixed on the discipline of his own corps only. This regiment has, besides, a choice from all the recruits which arrive from Europe, leaving the refuse to the infantry battalions. It would, therefore, be harsh to lay the blame of a deficiency in the European infantry, upon the Company, when the circumstances are explained, that the most experienced officers, in the line of their service, are promoted to the Sepoy regiments, and that under the restraints of recruiting in Europe, it is impracticable for them always to find serviceable men.

—in the confusion which has arisen in adjusting the respective ranks of the King's and Company's troops.

In the third place it has been found, that jealousies of a dangerous kind have subsisted between the King's troops, serving in India, and those of the Company. The King's officers have complained, that the Company's regiments were better paid than they were, and that all the profitable stations had been assigned to them. The Company's officers have complained, that the King's, though they had only served, in many instances, for two, three, or four years, yet, from their rank, were placed over them, after a service of twenty or thirty years, and with local knowledge, of which it was impossible the King's officers could be possessed; that it was a well known fact, to the Generals who had led the Company's armies to victory, that the Company's armies, particularly those on the Bengal establishment, were familiar, from long habits and service, with the languages, the usages, and the prejudices of the Sepoys, whether Mahomedans or Hindoos; that these circumstances had induced
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the natives to follow them over all the countries of India, in which they had distinguished themselves by a zeal and a fidelity as honorable to the commander as to the soldier ; and that this was an important and a public end, which a stranger, however instructed or able in the military art, neither could hope for nor command.

SUCH are the circumstances under which the military power in India is placed. On reviewing them, Parliament may experience difficulties in introducing an arrangement which on the one hand, shall be suited to the preservation and protection of dominions almost encircling the peninsula of India and extending over the richest provinces in its center ; and on the other, which shall, by its character, neither add unconstitutional weight to any of the branches of the government at home, nor excite in an army composed of such diversified orders of men jealousy or opposition of each others interests.

It may be expedient under all the existing circumstances, that the final arrangement of the Indian army should remain as a subject for future discussion. For this delay there is a precedent in the History of the British Military Power in India. It was not till the return of Lord Clive and of General Laurence (and they were the officers who first formed the army and acquired our dominions) that the Court of Directors gave the present arrangement to the military establishments of the Company.—Lord Cornwallis,

The arrangement of the military power to be a subject of future consideration.

CHAP. I. who has brought the Indian army to its present improved state, and consolidated that empire of which Lord Clive laid the foundations, merits the like attention from the Directors and the Legislature; even if the difficulty of fixing this important part of the Indian system, did not call for his talents and experience.

It may be proper, however, upon renewing the Company's charter, that the Legislature should have as subjects for their consideration the suggestions which have, from time to time, been afforded by his Lordship, and the officers who have distinguished themselves in the late successful war.

First suggestion. The Indian army to be an establishment distinct from the British.

FIRST. It has been suggested, that the whole army, European and Native, should be declared to be a foreign establishment, distinct from the British; and that it should consist, as at present, of the Bengal, Madras, and Bombay departments. That each of these departments should be composed of European and Sepoy branches: the European branch, in the Bengal and Madras presidencies, should consist of cavalry numbered 1st, 2d, &c. regiment, with a similar corps for Bombay (if cavalry shall be required to defend our new dominions on the Malabar coast) of European infantry numbered 1st, 2d, &c. regiments; of a regiment of European artillery, for each presidency, comprehending one or more battalions, in proportion to the number of troops required for the protection of each settlement, and of a distinct corps of engineers for each. That
the

the Sepoy branch should consist, in the same manner, of regiments of cavalry and of infantry, proportioned to the extent of the territories, and to the nature of the service in each presidency. That the army, on each establishment, should continue to be subdivided into brigades, with their requisite field officers. •

IN illustration of these opinions, it has been thought, that a complete separation must be made between the Indian establishment and that of Great Britain; and that this separation should be complete, in the military sense of the word; that is, the officer belonging to the British army, should not be allowed to exchange his rank, or be entitled to promotion in the Indian, and *vice versa*. Though this may appear to be a hardship, it has become absolutely necessary; because it will prevent an unconstitutional augmentation of the military establishment at home, and fix the Indian army in that station where its services are required; because the revenues of India should be specifically appropriated to the support of the force which is to protect and defend India; and because it will give a proper encouragement to men who have devoted their lives to a foreign service and experienced the dangers incident to soldiers in a trying climate. The very nature of the Indian service, indeed, requires that this separation should be confirmed; otherwise exchanges might take place, between the officers of the British and Indian army, totally incompatible with the good of this last service. When an

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Indian officer had acquired a fortune, he would be disposed to return to Europe and to exchange with a British officer. By such a traffic, men who had ruined their circumstances or constitutions in Europe, and who must be strangers to an Indian campaign, would have an opportunity to acquire a rank in that army, and supercede or stop the promotion of those whose constitutions had become naturalized to the country. To this private might probably be added a public evil: since these exchanges would generally be made by British officers with field rank, who neither in constitution nor military habits could be qualified for the important commands to which this rank would entitle them in India.

Second suggestion. The appointment of the commanders in chief to remain with the Company.

SECOND. It has been suggested, that the Commanders in chief whether they shall, at the same time, be the Governors or not, should, as at present, be in the nomination and appointment of the Directors, acting in concert with the executive power, more particularly as His Majesty is legally vested with the power of recalling them. The reasons offered to support this suggestion are, that the Directors having the territories, under the control of the Commissioners for the affairs of India, entrusted to them, ought to have a selection of officers, who from capacity and service, may be qualified for these important stations. Promotion to a first command, by seniority alone, might often be inconsistent with the public service, and, in many cases repugnant to the exertion and ambition so essential in the military character.

THIRD.

THIRD. It has been suggested, that general promotion by seniority, should continue in the army, but under certain modifications. Seniority, perhaps, is the only line practicable in an army, removed at so great a distance from the seat of sovereignty, as India is from Britain, and serving in a climate where every encouragement, particularly that of certain promotion, is required. At the same time, this principle will require to be modified in its application. It has been recommended, that the commanders in chief, on the spot, who are the best judges of claims for promotion, should be vested with the power of selecting officers, entitled by their rank and character to secondary commands.

SECT. IV.
Third suggestion. General army promotion to continue by seniority.

FOURTH. It has been suggested, that the nomination of the cadets for the army should continue in the Directors; that the date of a cadet's appointment should decide his rank in the service. As, however, upon military superiority the safety and prosperity of our Indian possessions and trade must depend, it has been thought, that the Court should be limited in their choice of the cadets for the artillery and engineer corps, either to such young men as have been trained in the Royal Academy at Woolwich, or to such as may subject themselves to an examination by it, before their appointments can be held as complete. And it has been recommended that the Commander in Chief and the Military Boards, at each Presidency, should be empowered to select such of the cadets for the European or Sepoy service, as they may deem the best qualified, to fill up vacancies in

Fourth suggestion. The appointment of cadets to be in the Court of Directors.

CHAP. I.

in either ; but that being attached to one of these corps, the cadet ought to continue in them as long as the regular line of promotion will admit.

Fifth suggestion. The Company to have the same privilege of recruiting, as the King's army.

FIFTH. It has been suggested, that the difficulty under which the East-India Company (since the first establishment of their army) have been placed in raising recruits, should be removed and done away. However much Government has been disposed to encourage the recruiting service of the Company, the measures which have been devised have been found ineffectual. By the separation of the Indian European army from the British army, the recruiting orders for the former might, as for the latter, be immediately issued by the King's authority. The recruiting officer would thus be entitled to enlist men from all the British European dominions, and to have them attested before a magistrate in a legal and public manner.

UPON this subject, different plans have been thought of, with the general object of conferring this necessary privilege on the Company, and yet rendering it neither an inconveniency to the Public, nor the means of draining the British dominions of useful inhabitants. These plans have had specific objects : some of them have had in view to aid the police, by employing such useless and dangerous persons as have been found disturbing the public peace : others of them, for relieving the Public of such persons as for petty crimes may have exposed themselves to punishments, which though necessary for the good of the community, yet are not,
in

in many cases, proportioned to their crimes. In both of SECT. IV.
 these plans the general intention has been merciful, from
 their agreeing in rescuing from punishment youth, who,
 without parents or resource of any kind, may have become
 immoral from necessity, or vicious from imitation.

UPON this subject, it might be expedient that the age of
 a recruit should be fixed, in time of peace, from 12 to 22:
 The age from 12 to 15, however, ought to be the general
 rule. At this period the constitution is in that stage when
 the diseases that originate in vice can scarcely be supposed to
 have debilitated it; and even supposing the health to be
 partially impaired, when it may, in almost every case, be
 restored. The constitution besides, at this period, will
 easily accommodate itself to the varieties of climate; for the
 practice of labor of any kind has not as yet given to it
 that cast, the turning from which commonly brings on
 putrid diseases. It is a known fact, that the deaths which
 happen among the motley assemblage of recruits sent out by
 the Company, chiefly take place among those who either
 have lived long in the habits of vice, or who having been
 habituated to a trade of a sedentary kind, suffer, from the
 hardships incident to a soldier's duty.

IT might also be expedient, that a dépôt for the recruits
 destined for the India service, should be allowed to the
 Company, and placed under the direction of officers who had
 served in India (not invalided officers, who will naturally
 come on half pay) and who having come home to Europe

CHAP. I. for the recovery of their health, might continue to receive their emoluments, and in return, train men for a service to which they are themselves to lead them. At this place offers might be held out to indigent and helpless youth, of a comfortable subsistence and of honorable employment. Circumstances which would produce the immediate effect of drawing to it the thousands of destitute young men that swarm in the capital and in all our large towns. To such an asylum they would resort with the consent of their parents, or if they had none, would seek refuge in it, of their own choice. It perhaps might not be improper to give such powers, as the law will allow, to magistrates and justices of the peace (or under the late police establishment in London and Westminster to the justices of police) to offer this retreat to boys of the preceding age and description, who being too young to become proper objects of punishment, for the petty irregularities to which their indigence may have exposed them, might thus be rendered useful subjects to their country. The very circumstance of the infamy attached to their punishment being removed, by their being blended with others in a service of credit, would have its effect, in recommending it to their choice, and could not fail of bringing numbers to embrace it; nor could they in the situation now suggested, have opportunities of returning to their former course of life.

SECT. IV.

It might also be expedient, that proper masters should be appointed at the depôt, to instruct them in those branches of education which carry a soldier up to be a non-commissioned officer; that they should be taught, on their arrival at the depôt, the military exercises and be accustomed to the ordinary regimental duties in the army; and it might be a general rule, when the demands in India would admit of it, that the recruit should remain for the space of one year in England, before his embarkation; this time and that required for his passage to India would fit him for immediate service, and of consequence render the army in that country constantly effective*.

ONE of the great objections which may be made to an open recruiting privilege, for the Indian army, will arise from its interference with the recruiting service for the British army; but, in the first place, the age at which it is proposed to take the recruits for India, is, upon the whole, below that which qualifies a recruit for the home army; in the next place, in the time of peace, there will always be a sufficient number of this description to supply the Indian army; and, in the last place, in the time of war in Europe, it might be made lawful for the Company to procure such Swiss, German, or other foreigners for the Indian depôt, of the specified age, as could be obtained by a communication with the Continent, where the British service and pay would at all times attract a sufficient number.

* It was upon a system similar to this, that the French recruited for the *regiment des Colonies*, and kept it distinct from their European military establishment.

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As the artillery service in India is that upon which our superiority in the art of war depends, and as the army for the defence of our Asiatic dominions, though it remains with the Company, is under His Majesty's protection, it may be expedient, that this corps be supplied, either with such recruits from the *depôt* as may be found from capacity, education and size, fitted for that service, or with such volunteers from the Royal Artillery at Woolwich, as the Board of Ordnance can with conveniency spare. This, instead of being an injury to that regiment would, on the contrary, open a new object of ambition to the *Matrosses* who serve in it, and procure an ample and full supply of recruits.

Sixth suggestion. Proportion of Recruits required annually.

SIXTH. It has been suggested, that it should be left with the Commanders in Chief, at the different settlements, to place the recruits upon their arrival, (and by the preceding system, 2500 may be annually sent out in the Company's ships) in the different corps where their services are required.* This would have the effect of preventing disputes among the commanders of regiments, and leave it entirely in the power of the responsible officer, to account for the state of the regiments in the army under his command.

Seventh suggestion. Distribution and subordination of the Company's marine.

SEVENTH. It has been suggested, that the marine belonging to the different settlements shall continue, as at pre-

* The Company's usual licence has been, to send out 2500 recruits annually.

sent,

SECT. IV.

sent, under the direction of the Governors and Councils, subject as hitherto, to the orders of the Directors at home and of His Majesty's Commissioners for Indian affairs; and abroad, in time of war, to the commanders of His Majesty's fleet, after they have received an order from the presidencies to which, the marine belongs. The present marine establishment of the Company on the Bengal station, consists of 12 pilot vessels and four budgerows, which, with the dock charges, cost the Company about £.57,004 per annum. The Bombay marine consists of 19 vessels, carrying from 6 to 18 guns, the charges of which amount to about £.76,230 per annum; the marine charges, on the average of 1777-8 to 1789-90, amounted to £.133,234 annually.

EIGHTH. It has been suggested, that a code of military regulations should be drawn up for the army in India, and that it should consist, first, of those which are observed by the British army, and next of such additional articles as may have been found necessary or expedient for the Indian army. Under this last article may be specified the line of promotion and the line of duty in the different settlements, the mode of conducting courts-martial in the Sepoy corps where the natives are parties, particularly in cases where the native officers are to be tried either for mutiny or desertion. Translations of this part ought to be made into the Persian and Native languages, or language best understood in each presidency, and read by the native officers themselves, in

Eighth suggestion.
Code of military regulations for India.

CHAP. I.

the presence of the commanding European officer, at stated times in each year, and at the head of the native regiments *.

Inference
from the
whole of this
military sys-
tem.

HAVING thus suggested the kind of government for our Asiatic possessions which the characters of the inhabitants, the agreements and treaties which we have entered into with the native States or Princes, and the safety of the British constitution in its connexion with India, seem to authorize; and having marked out the degree of delegated sovereignty, with the judicial, financial, and military powers which it will be necessary to authorize, for the administration of it; the wisdom of Parliament may adopt, alter, or improve the whole, or any of the parts of this system, as they may think the maintenance of the British dominions in Hindoostan, and the improvement of the trade to the East-Indies, shall require, during the proposed prolongation of the Company's term.

* Though there has been an established practice in conducting courts-martial in the Sepoy corps, this practice is not generally understood; it would be of importance, therefore, that regulations for such courts should be explained.

HISTORICAL VIEW OF PLANS

FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

CHAP. II.

SECT. I.

OBSERVATIONS ON THE TRADE TO THE EAST-INDIES, IN
CONNECTION WITH THE PRECEDING PLAN OF GOVERNMENT.

CONTENTS.

*Commerce a difficult and important Branch in a System of
Indian Affairs;---Reference to the Principles upon which the
System of East-India trade must rest;---The present System may*
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be continued, with Modifications and Improvements suited to the actual State of our Indian Affairs;---Embarrassments to be expected from different Classes of Opponents to the present System.---Argument of those who wish to become Adventurers in the East-India Trade.---Examination of this Argument, by an Appeal to the Circumstances under which the private Adventurer and the Company would carry on the Trade to India and China;---by the Necessity of bringing home the Revenue through the Trade;---by the Losses which the Public would sustain, if the Revenue was to be brought home through the Trade of the private Merchant.---The Experiment of an open Trade equally dangerous at this Time, as when it was made by Cromwell.---Embarrassments to be expected from Stock-jobbers and Party-men.---These removed, by References which have been made to the actual State of the Company's Revenues and Trade.---Embarrassments to be expected from Speculators in British Manufactures.---Plausible Reasonings of this Class of Men,---these obviated by the Reports of the Directors; first on the State of their Exports to India from 1784 to 1790.---Observations upon this Report suggested by the actual State of the Trade to India. The Objections of the Speculator in the British Manufactures obviated by the Report of the Directors on their Exports to China from 1784 to 1790.---Observations upon this Report, arising from the actual State of

of the Trade to China.---The Objections of the Speculator in our Manufactures, further obviated by the Third Report of the Directors, on the Export Trade to Japan and Persia.---Observations upon this Report, arising from the History and actual State of the Trade to Japan and Persia, and to the Islands in general.---Objections to be expected from the Agents and Emissaries of foreign Companies.---Consequence of listening to them;---these Objections afford an additional Reason for continuing the exclusive but modified Privileges of the Company.---The Whole of the East-India Trade divisible into Exports, circuitous Exchange within the Company's Limits, and Imports to Europe, &c. Export Trade.----To open through the Company's chartered Ships, the Export Trade to the private Merchant and Manufacturer, on their own Risk. Circuitous Trade.----1. The Company to employ their Ships in carrying Indian Produce to the Countries within their Limits.----Cases in which Country Ships may be employed in this Trade.-----2. To establish such intermediate Stations of Trade in the Countries within the Company's Limits, as the Trade to them can afford. Import and Re-exportation Trade.----1. Encouragements to be given to the Culture of raw Materials for our Manufactures, and of Articles of Consumpt in China, &c. and in Britain.----2. The Company to furnish the

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private Merchant with Shipping for bringing home raw Materials in return for his Exports, or to grant him Bills.----

3. The Duties on imported India and China Produce to be modified.----4. Illicit Trade to the East-Indies, by British Merchants trading under foreign Flags, to be checked.----5. The Company's Sales to be further improved.----Result of the Whole of this commercial System.

Commerce,
a difficult and
important
branch in a
system of In-
dian affairs.

THE establishment of a commercial system, more particularly when it is to make an essential part of a political arrangement, is obviously a delicate branch of public œconomy. If the regulation of trade, where it is simple, that is, where one nation sends money and commodities to obtain, in return, the money and commodities of another, that a profit may be drawn from the whole of the transaction, requires political prudence; how much more must this be the case with the British trade to the East-Indies? Though this trade might have been simple in its origin, it has gradually become mixed, and within these last thirty years, has been the medium through which the revenues of conquered provinces were to be rendered one of the resources of the nation, as well as part of the reward of the East-India Company.

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Reference to the principles upon which the system of East-India trade must rest.

IN stating the principles upon which the Legislature may probably think it expedient to prolong the term of the East-India Company's exclusive privilege, we have found, that the trade has been carried on upon a joint stock; that it has required nearly the experience of two hundred years to establish it; that it has needed all the advantages which the Company possess over the private merchant, from their trading upon a capital, for which, it does not appear, they pay much, if any interest; that they have proceeded upon the fullest confidence in their credit among the nations with whom they traded, and upon experimental knowledge of their characters and prejudices; that for many years the surplus revenues of the provinces have passed home through the medium of their trade, in return for the expenses of the various wars in which they have been engaged; that, in fine, it has called for the control of the Executive Power and of Parliament to support their credit, and to render the British interests in Asia, whether commercial or political, efficient branches of the empire and of its resources.

UPON a fair view of this national subject, and under no impressions but those of suggesting propositions for the general interest and honor of the British trade and empire, and propositions too, arising out of the character of the natives, our subjects in India, and out of the character of the inhabitants of the countries to which our Asiatic commerce extends in connection with the experience of the East-India Company, and of the executive power controlling their proceedings, it seems to be a necessary infer-

The present system may be continued with modifications and improvements, suited to the actual state of our Indian affairs. *

CHAP. II. **ence, that the system of trade, as at present carried on, with such modifications and regulations as the preceding plan of government* and recent events will admit of, is the only one that is fitted for the mixed commercial interests and territorial possessions of Great Britain in the East-Indies.**

Embarrassments to be expected from different classes of opponents to the present system.

IN continuing and improving on the present system of Asiatic commerce, the Public and the Legislature have to meet a variety of embarrassments. Men who wish to become adventurers in Eastern trade; men who are to draw their fortunes from stock-jobbing, or to derive consequence from the views of Indian affairs, which, in connection with politics, they may obtrude on the Public; men who may wish to speculate in our manufactures, and the emissaries of foreign Companies, who have been our rivals, will successively attempt to bias the public opinion and judgment. Though the Proprietors and Directors, and the Executive Government controlling Indian affairs, are fully equal to the task of examining and detecting the erroneous accounts, which men of these various descriptions may offer, it becomes a duty to the Public, to free it from the influence which specious propositions might have, leaving to the candor and judgment of Englishmen, unfettered in their decisions, to examine and to pronounce on the future regulation of so valuable a branch of their trade and navigation.

Argument of those who wish to become adventurers in the East-India trade.

. IN the first place, men who wish to become adventurers in the trade to India or to China, will say, that monopolies of every kind are destructive of all commercial enterprize; that

that however proper such monopolies may be in the early stages of a distant and expensive trade, as an encouragement to individuals to subscribe to the stock required to carry it on, they are unnecessary and impolitic, when the value of that trade has become generally understood, and when the profits from it ought to be laid open to the Public at large : that the East-India trade has reached this point, and that the wealth of individual merchants would be profitably employed to themselves and to the nation, if they were permitted a liberal competition in Asiatic commerce. In this way (they will say) not only the general export of British produce would be encouraged, but the import of the materials upon which so many of our home manufactures depend, would become a new spring to the industry of the European and Asiatic subjects of Great Britain. Before we compare the trade, supposing it to be in the hands of the private merchant, or in those of the Company, we should distinguish between a monopoly, when it signifies an exclusive title in its possessor to bring into, or to with-hold from the market any commodity, and the exclusive trade of the East-India Company, where a body of merchants engage in a concern, of which any one may become a partaker, by buying a greater or a lesser share in their stock, and where the sale of the imports is open and legally authorized, and the trade so regulated by the Legislature as to give to the nation a superiority over foreign and rival Companies. In the hands of the London Company, the India trade might perhaps be denominated a monopoly, but in those of the United Company,

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it must be considered as the British nation trading upon a large capital to the East-Indies*.

Examination of this argument by an appeal to the circumstances under which the private adventurer and the Company would carry on the trade to India and to China.

However specious these opinions in commerce may be in their general aspects, it is the application of them alone that can determine their value ; and, in the present case, a few leading facts will be sufficient to point out the impracticability of adopting them.

THE trade of the East-India Company differs from that of other merchants in the following circumstances : The individual merchant, when he employs a sum in any branch of trade, considers what interest he can draw from his money, independently of the risk of trade, deducts this from what he has realized beyond the prime costs and charges, and then sets down the remainder as his profit ; or if the interest of his money would have exceeded the sum so realized, he considers the difference as a loss. The Company again may be said to trade on a capital partly furnished by others, since, first, all that they pay interest for is their capital stock and bond debt†, and (considered in one point of view) the bills of exchange from India and China : their outstanding debts to individuals, however, bear no interest, and the amount of them is very considerable, as well as the profit on

* See this subject treated of, upon the principles of law and of trade, in a "Short History of the East-India Company." (1793) chap. 6, p. 26.

† The loan from the Bank being for the mortgage of annuities, the interest is provided for, exclusive of the trade.

private trade, that is, the duties paid by the private trader to the Company. The Company thus may be said to trade so far on a capital furnished by others. Hence the difficulty under which the individual merchant would engage in the competition with them; and hence the danger of any attempt to divert from the East-India Company into any other channel, a commerce that has proved so very beneficial to the interest of Great Britain.

ANOTHER circumstance in which the trade in the hands of the Company differs from that of the private merchant is, that they have employed large sums in investments, from the revenues of India. The private merchant must ship a quantity of goods from Great Britain, and, from the sale of them, purchase produce in India; and, after paying all charges, realize a certain amount in Britain. If the amount realized shall exceed the interest of the money employed, the trade would be profitable on the whole; but if it should not yield the interest on the capital, the trade is a losing one. The homeward cargoes of the Company, again, are furnished partly by the revenues in India, partly by bills drawn on England, and partly by the sale of exports. The profit or loss, therefore, with them, becomes divided into export and import trade; and in the proportion that the one or the other is burdened with a larger or lesser degree of the charges, the profit or loss is increased on either. The revenues, however, it must be remembered, are to be brought home through trade, and through a trade immediately under the public control.

—By the necessity of bringing home the revenue through the trade.

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—By the losses which the Public would sustain, if the revenue was to be brought home through the trade of the private merchant.

A THIRD circumstance in which the trade of the private merchant and of the Company differs is, that it would be almost impracticable to give the advantage of bringing home the revenues through the private trader, so as to allow him the same advantages which the Company possess in the circuit of their commerce. The risks to be run by the Public, in entrusting portions of the revenue to the merchant, who was to depend on the profits of an uncertain export trade to and import trade from India; on the profits of an uncertain trade from India to China, allowing the profits from China to be certain, would be so great, that it might affect the national object of realizing the revenues of India in England. That the measure of entrusting the revenue to the Company, to pass through their trade to England, has been found, from experience, to be practicable and productive, and therefore, the only one which the Public can rely on. If the exports have not always brought a profit, still the weight of the revenue has enabled the Company to continue the import trade with advantage to themselves; and even granting that the exports from India to China have not always contributed equally to the China investments, still, judging from the number of country ships under the Company's protection, employed between India and China,* as well as of the Company's chartered

* The articles chiefly sent from India to China are obtained on the Malabar Coast, viz. pepper, sandal wood, &c. Formerly the Company not only had competitors in obtaining them, in the European companies, but the prejudices of the Mysore government against the English to struggle with. Our recent conquest of this coun-

tered ships, the connection of the two trades must be continued, and the revenue of India be more certainly realized in England through the circuitous commerce of the Company, than if this circuit should be opened to the private merchant.

BUT supposing these facts and the reasonings from them not to be conclusive, against the specious reasoning of the private adventurer wishing to deprive the Company of their exclusive privilege, the history of our East-India trade furnishes an argument of more weight. Cromwell, struck with the reasonings against monopolies, laid open the East-India trade. In three years, its decrease, and the diminution of the home revenue satisfied him, that though the arguments against monopolies were specious, the scheme of an open trade to the East-Indies was not practicable; and that it was expedient to restore their privileges to the East-India Company. He saw, with mortification, the sudden increase in the East-India trade of the Dutch Company: he was alarmed lest his rash and imperious scheme might abridge the revenues of the nation, and though there then existed no revenues to be brought home through the trade, this circumstance now existing, is sufficient to check us in the experiment of opening the trade, since the result might

The experiment of an open trade equally dangerous at this time, as when it was made by Cromwell.

try will, of course, facilitate the branch of the trade, and by placing it under the Company's management, enable the executive power and parliament, to ascertain the value of the acquisition, and improve the trade for the interest of the Public.

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Embarrassments to be expected from stock jobbers and party-men.

IN the second place, the opinion of the Public, as well as the deliberations of the Legislature, have to meet embarrassments from Stock-jobbers and party men. The object of the one class will be to profit from the fluctuations in the price of India stock, &c.—that of the other, to acquire political influence, in consequence of their furnishing, from time to time, specious views of Indian affairs to the Public.

These removed by references which have been made to the actual state of the Company's revenues and trade.

It would be impracticable, and indeed useless, to follow either of these classes through the intricacy of their statements, or to examine the motives from which they may have written; it will be sufficient to point out the general objects with which they did write. These objects were to bring out statements of Indian accounts, different from those which the records of the Company furnish; or to institute a train of arguments to prove, that the particular plan they recommended, would be better than the present system. The Public, however, always derive profit from such con-

* “When Cromwell's plan of laying open the trade to the East-Indies was known in Holland, a general alarm prevailed that this measure would ruin their East-India Company.—Thurloe's State Papers, vol. 3, p. 80.” Hist. and Chron. Ded. of the Origin of Commerce, vol. 2, p. 431. This measure of the Protector took place in 1654-5, and it was proposed the experiment should be made for four years, but in three years time, he was obliged to re establish the Company with all its former privileges. Ibid.

troverfies, though they cannot reft upon any information, with confidence, but upon that of authorized accounts and their vouchers. A man who wifhes to miflead the Public, on any queftion, will reafon ingenioufly from a few or from prefumed facts. He, who is in poffeffion of the real facts, will leave them, without reasonings, to have their effect on the good fenfe and judgment of the nation.*

IN the third place, the opinion of the Public, as well as the deliberations of the Legiflature, will have to meet embarraffments from fpeculators in our manufactures, who will hold out the plaufible arguments, that if the trade to the Eaft-Indies fhould be laid open, the demands for the exports of Britifh produce would be encreafed, and the import of raw materials become fo great, as to give a new fpring to the Britifh induftry; and that the manufacturer would, with fuch advantages, be enabled to work at a cheaper rate, and, of courfe, to fell at a lower price.

Embarraffments to be expected from fpeculators in Britifh manufactures.

IN all cafes where the facts lie removed from common obfervation, nothing is fo eafy as to offer a fpecious opinion, and nothing fo common as to be duped by it. This is remarkably the cafe in the prefent inftance. It is to be recollected, that the Britifh exports, in fo far as they regard the Eaft-Indies, may be divided into two kinds:

Plaufible reasonings of this clafs of men.

* See this obfervation illuftrated in the answer to ftatements of this defcription, given in "A General View of the Variations which have been made in the Affairs of the Eaft-India Company fince the Conclusion of the War, 1784." by George Anderfon, A. M.

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Such as are manufactured from materials furnished in Britain, as hardware, woollens, &c. and such as are manufactured from materials chiefly brought from the East-Indies, as from cotton and raw-silk. Having derived great profit from the demands of the East-India Company for hardware, &c. the manufacturer concludes from his past gains alone, and overlooks the injury he might sustain if the demand on his ingenuity and industry should be lessened. In this stage of his self-deception, he looks forward to the profits he might reap if this demand could be encreased. He thinks, judging from his past profits, that if the materials which are brought from the East-Indies could be obtained at a lower price, then he could exercise his skill and industry with a double profit to himself; for he still could keep up the former price of his manufactured produce, and thus accumulate wealth, with the same facility, that he can imagine the enjoyment of it. If, on the one hand, it would be improper in the executive government, in a commercial country, to overlook or to check these expectations; on the other hand, it would be a breach of duty not to prevent the ruinous indulgence of them. On a reference, accordingly, from the Committee of Privy Council for trade and plantations, to the Court of Directors for information on the subject of their export trade, three distinct reports were prepared, the substance of which, better than any reasoning, will meet and put down the plausible schemes of speculators.

THE Court of Directors of the East-India Company, stated in their first report, what were the quantities and value in England, of the several articles exported by the Company to India, and the profit or loss on the sale of those articles in that country; and the result is, that in six years, from 1783-4 to 1789-90, there have been sold in India, woollens to the amount of £.576,048 the first cost of which in England was £.520,120; and metals sold in the same period to the amount of £.1,010,008, the first cost of which was £.760,169; to the first cost the committee add $\frac{1}{2}$ per cent. for charges in England; interest of money two years, at £.4 per cent. per annum; insurance 3 per cent. freight £.10 per ton; charges of the import warehouses in India, 3 per cent. at Bengal, 5 per cent. at Madras, and 2 per cent. at Bombay. By these different charges a loss appears on woollens, in the six years, of £.37,790, and the gain on metals, only £.9,875, making an average loss, on the whole, of £.4,652 per annum. It is to be remarked, however, that the current rupee is here valued at 2s. at which bills have been lately drawn from Bengal; but in the first three years of the above period, the bills were at 2s. 1d. if that rate were taken there would be a profit instead of a loss.

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These obviated by the reports of the Directors,—first, on the state of their exports to India, from 1784 to 1790.

IN the second place, they have given such information as they could procure respecting the exports in private trade, allowed to the commanders and officers of the Company's ships, and the particular articles which compose that export; and the result is, that, on the average of the last seven years, these exports have amounted to £.126,687

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per annum; besides, probably, a large amount of naval and military stores.

IN the third place, they have given as much information as they could procure respecting illicit trade; that is, goods exported on the Company's ships without their orders, and on private ships without the license of the Company. But of the annual amount, they had no materials to enable them to form an estimate; a considerable part of it consisted of naval and military stores.

IN the fourth place, they have suggested the best means they could devise of computing the tonnage unoccupied in the Company's ships on their outward voyages; and the result is, that upon the average of seven years (1784 to 1790) the tons carried were 16,068, and the tons chartered 19,800 so that the tons chartered exceeded the tons carried 3,732 tons annually.

IN the fifth place, they have given an account of their own endeavours to encrease and extend the consumption of British manufactures in the East-Indies, and suggested such new exports as might be tried, with the probable degree of their success, and the result is, that the demand for British manufactures is so limited in India, that almost every attempt to extend the sale of them has failed of success, from the markets becoming overstocked; and that but little encrease of demand can be expected from our intercourse with the native powers*.

* See First Report.

ADMITTING this report of the Directors to be the state of the case, and they certainly have the information which arises from practice and experience, the attempts of the private speculator in our manufactures, might produce the public evil of diminishing the quantity of exports at present sending out by the Company.

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Observations upon this report, suggested by the actual state of the trade to India.

IN the first place, it is to be recollected, that the Company, from the tonnage required for their import trade, have every inducement to export British produce in their chartered ships, even if the sales should be attended only with no loss. They have a character understood in India and relied on by the natives to support; they have the exports of other European Companies or illicit English traders from Ostend, &c. to check, and, if possible, to abridge. It is their interest, in one word, to keep the export as well as the import trade in their own hands. The private adventurer is under none of these obligations, at least, he is not under them in the same degree with the Company. He cannot be presumed to have a character and a credit already established among the natives. As his object can only be that of rapidly amassing a fortune, he might take out British produce of an inferior quality, on the idea that the established reputation of it in India, would ensure him a sale; the preference given to our manufactures over the other European produce, might thus be lessened. The present demands for it by the agents of foreign Companies to enable them to meet our sale in the Indian markets, might thus be done away; manufactures might rise among the European

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nations,

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nations, which might furnish produce equal at least to the kind sent out by the private adventurers. Time and practice, and profit, might establish manufactures on the Continent, to rival those of Britain. If the manufactures of England arose from one accident, they might fall by another; nor is it an improbable event, that after the present delirium among the French shall subside, and that country be again under a regular government of any kind, they may, as on former occasions, attempt to allure our artizans and manufacturers to settle among them, and thus Great Britain, duped by an idle speculation, might lose that superiority in its productions, which it has cost ages to acquire, and which we now so profitably possess. The political imprudence then of listening to speculation might deprive us in practice of an advantage we could never recal.

If then, on the one hand, we must pause and seriously reflect before we take the export trade from the Company, we should not, on the other, suppose that it is not in their hands susceptible of improvement. If, notwithstanding the result of the preceding report of the Directors, the merchants, or rather the manufacturers of this country, should still be under the delusion of its being for their advantage, that the export trade should be laid open, and yet the Legislature be still of opinion, from the evidence before them, that no intelligent merchant would embark deeply in it upon his own capital, and that it would be unsafe for the Public to divert this trade from a channel in which it has proved so beneficial to the manufacturer; it does not thence follow

follow that some means may not be adopted for allowing the merchant, at his own risk, to try the experiment, and yet preserving and invigorating the trade of the Company. The purposes to be accomplished are to encourage the export trade of our manufacture to India to the utmost extent the demands of that country will admit of, and to encourage the importation of the raw materials, which the soil and climate of India afford for our manufactures. An experiment, therefore, may be made without any danger to the Public, by obliging the East-India Company to find shipping, at a reasonable rate of freight, for carrying out, at the risk of the exporter, the manufactures of Great Britain and Ireland, such exporters giving notice, within a time specified, of the tonnage they require. In like manner, that the manufacturer may have every encouragement to oblige the Company to find shipping in India, at a reasonable rate of freight, for importing the raw materials he can purchase, and, at his own risk, in return for the manufactures he has exported. If this measure shall be analyzed, it will be found liable to no objection, either by the Company or by the manufacturer. If it be true that the former export as much of the manufactures of Britain and Ireland as the demands of India require, the individual exporters can have no temptation to enter into the competition with them; and if it be not true, the individual exporter will have an opportunity of filling up the chasm in the trade now carried on in foreign bottoms, and an opportunity also of bringing home such quantity of raw materials for his manufacture as the sale of his exports can purchase; besides he will have the advantage

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tage of shipping, at a moderate freight, without, upon his individual capital, being obliged to purchase and support that hazardous and expensive part of the concern. The Company will have the export trade left in their hands as well as the import of materials for the manufactures, and will be compelled to carry on both to the utmost extent, that the demands of India or the demands of Europe will bear. A dangerous speculation will thus be checked, which, if allowed to be carried into practice, might destroy the intrinsic value of the British produce, upon which the preference given to the Company in the Eastern market obviously depends; and yet the great object in commercial œconomy will be gained, of extending the trade and navigation of Great Britain to the East-Indies to the utmost point to which it can be carried with safety to the resources and revenue of the nation.

ON a minute examination then of the particulars referred to, in the report of the Directors on the export trade, the advantages to be derived from it may be traced out in the following simple stage of the business. First, a sum of money is employed to purchase woollens (for example) in England, as an article of export for India; to this sum must be added, the charges of freight, &c. Second, these woollens, when sold in the India market, will produce a greater or a less sum, according to the market price. Third, this sum so produced is laid out in purchasing Indian goods for the China or Europe markets. In this stage of the business, it is to be recollected, that the rupee may be taken either as
bullion,

bullion, when it becomes an article of export for China or for Europe, or it may be valued according to the rate of exchange, between India and China, or between India, China and Europe. Fourth, the sum which can be obtained for the woollens in the India market, applied to purchase goods to be sold in China, or exchanged for China produce to be sent to Europe, must be estimated by the profit which either India or China produce will yield at the Company's sales in Europe. In a commercial view then, the original sum laid out on woollens passes through a long circuit of exchange, in each stage of which, we have to consider the profit or loss on it, and not to bring the advantages or disadvantages of the export trade, in the manner of the report, under any one of them in particular. We must deduct them from the whole, viz. from the exports filling up the Company's tonnage from Europe to India; from the sum arising from the sale of the woollens in the India market; from the difference of the value of silver in Europe, in India and in China; and lastly, from the profits which the Company draw, in the whole of this line of exchange, in connexion with the privilege of sending home the surplus revenues, and of being able to obtain money from individuals in India and in China for bills, at one or more year's sight, without interest; that is, from their obtaining money which is to pass through their trade, without any other risk, till it can be realized at their sales in England, but that of being their own insurers.

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The objections of the speculator in the British manufactures next obviated by the report of the Directors on their exports to China, from 1784 to 1790.

THE Directors in a second report, dated the 29th December, 1791, after recapitulating the substance of the first report, propose to confine themselves to a particular account of the trade with China. On this subject they set out with giving a view of the quantity and value of the Company's exports to that country, and of the profit and loss on this concern. To render this subject obvious, they point out the particulars of the Company's exports to China, authenticated by the proper officers, and illustrate this by the rate of exchange, estimated at 6s. 8d. per tale, and then state, that the loss on woollens from 1781 to 1791 inclusive, amounted to £.82,516, and on metals, during the same period, to £. 108,401. They next proceed to give an account of the private trade, allowed to commanders and officers; and, after observing, that the Court of Directors had, for the year 1791-2, extended the privilege of commanders and officers, in private trade, from 87 to 92 tons per ship, and distinguishing what articles of exports in private trade, or what proportion of them was to be sent to China, notice, that these officers have confined themselves chiefly to the trade in skins and furs, having since the Americans begun to trade to the East-Indies, dropped the article of ginseng, and conclude, that the only other articles of export consist of jewelry, toys, watches, cuttings of cloth, a very few woollens, some cutlery, hardware, and silver; the article of quicksilver having for some time been abandoned.

THEY proceed, in the third place, to report respecting illicit trade, and observe, that those articles of it which form the chief demand in India, viz. naval and military stores, and copper, do not answer for the China market. That it is with difficulty the Company's ships are allowed to keep the necessary guns and stores on board, and that the Chinese are supplied with copper from Japan.

THEY mention, in the fourth place, the subject of tonnage, and refer to their first report.

THEY proceed, in the fifth place, to report on their endeavours to encrease and extend the consumption of British manufactures and produce in China, and mention the result of their attempts to add new articles to this trade. On this subject they observe, that though almost all the European commercial nations have had intercourse with this empire, either by sea or land, yet still we are ignorant of its internal commerce; that the merchant can derive no assistance from the publications of missionaries and others; and that all experiments of trade, proceeding upon them, have been injurious to the Company's commerce. Whatever credit may be given to the justice of the public edicts of the Chinese, and whatever respect may be due to the good character of the present Emperor, that still there remains to be discovered, in what manner a free communication with his empire is to be obtained; or in what way his orders for redress of grievances in trade can be ensured. Though the Company, they subjoin, upon a complaint of

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an act of injustice on the part of the Chinese, obtained an order for redress, and though a command was given to displace the Mandarin who had committed the violence, the pecuniary impositions on the commerce were made equal to the restitution which was ordered; nor do their servants abroad find that the other European nations are in a better situation than the English. The obstacles to trade arise from the arbitrary nature of the Chinese government: it confines the European trade to Canton, though tea is produced to the northward of that place. The principal consumption of furs and woollens, evidently is in the capital of China; they could be purchased at a much cheaper rate if our ships were permitted to proceed to a port in the north of China, from which, however, they are excluded by the jealousy and suspicion of the government. It thus becomes impossible, they conclude, to discover the situation and description of people in China, who either do, or would be likely to consume British produce and manufacture; woollens and furs would evidently be consumed in the northern parts; tin, for superstitious purposes, would be consumed every where; jewelry, toys, watches, &c. would be bought by the affluent of every description. The report, therefore, concludes, that the only mode of encreasing and extending the consumption of British produce in China, must be by the usual and frequented channels of trade now open; and that any endeavour to proceed by new channels would be productive of bad consequences. The committee illustrate this observation by remarking, that the principal article from which profit could be expected would be woollens, and yet scruple not to pronounce,

nounce, that the most beneficial method of carrying on the trade with China from Europe is, by the export of bullion; explaining this opinion by the profits obtained by the Swedish Company, anterior to the Commutation Act, which had the effect to transfer these profits to Britain. Means, however, they subjoin, have not been left untried to encrease the export trade to China. It has been represented to that people, that Great Britain could not continue to receive teas to such an immense value, unless the Chinese would facilitate and encourage the sale of our produce and manufactures in return; and that the commercial profits to the Chinese would attach equally to the import and export trade. The consequence has been an encrease of the demand for woollens, and yet the loss to the Company, as appears from authenticated accounts, has been continued. With the object of illustrating this fact, the report states the quantities of manufacture and produce remaining on hand, at the close of the season; and in what manner the indents received from China have been complied with. They argue nothing from the years 1781 to 1784 inclusive, but state, that since 1784 the warehouses of the Company have been constantly cleared, and when the balance of cash in the treasury at Canton, at the close of a season, has amounted to £.500,000, there has not been a single piece of woollen remaining in the warehouse. The account of tin, lead, and woollens, indented for and exported to China, from 1785 to 1791 inclusive, affords the following result: tin indented, tons 1187; exported 3238. Lead exported, tons 10,200. Cloth indented, cloths 28,987; exported 33,483. Long

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ells indented, pieces 660,200; exported 724,380. Camblets indented, pieces 4840; exported 6609. The report concludes this account with a comparison of the Company's export trade in the last century (from 1652 to 1674) with the amount of it, from season 1781 to season 1791 inclusive. During the former period they exported, in bullion, £.1,131,653; in produce and manufactures to the amount of £.286,584. In the years 1655 and 1656, when the trade was laid open by Cromwell, the Company made no exports. During the latter period, the amount of exports to India, China, &c. has been as follows: the total of merchandize to India was £.1,179,342; metals, £.1,561,841; stores, £.1,255,259. The total of merchandize to China was £.2,842,904; metals, £.537,107; stores, £.52,782; bullion, £.4,352,021. To explain these exports they observe, first, that the quantity of silver sent will depend on the encreased export of other metals, and of manufactures; and next, that any reduction of the Company's export trade to China would be an irrecoverable loss to the Public.

Observations upon this report arising from the actual state of the trade to China.

IN order to form an opinion of this report, either from the evidence upon which it rests, or from such evidence as those who have been conversant in the China trade have afforded, since the report was drawn up, we must recur to the commercial principle upon which, it has been shewn, the China trade must rest, viz. that it requires a large stock to engage in it; that long experience of the character of the Chinese, and of the competitions with the other European

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European companies in that trade, is demanded to engage in it with profit; and, that the relation which the India trade and revenues, and the China trade bear to each other must be preserved, to support and render the one productive, or to give a decided superiority in the other. Connecting this principle with the substance of the report, we must distinguish the nature of the two trades. In the India trade we have revenue and political influence; in the China trade we have neither the one nor the other. In considering this report, therefore, we must distinguish the China trade first, as a simple export and import business with factory at Canton; next, as an enlarged export and import business with China, should the object of the present embassy of opening a trade into the interior of that empire be effected; and, lastly, in the relation which the India trade has born, or may, from our late acquisitions, bear to that of China, whether by sending to it those Indian articles which hitherto have been imported into Canton alone by the Europeans in general, or as related to it by the increased surplus which may be expected to arise from the new system of finance introduced in our former, and proposed to be introduced into our recently acquired dominions.

ON the first of these subjects, it appears by this report, that the Company have exported British produce, to China, fully equal to the demand in that market. The demand for furs from America or from Nootka Sound, must be considered as foreign exports, not British. In this view of the subject, then, we have only to compare the situation of the

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private merchant and of the Company, entering into a fair competition of trade. The private merchant employs a sum to purchase exports, as hardware, woollens, tin, &c. for the China market. To the interest on this sum must be added, that on the charges of freight, insurance, &c. he must carry this cargo to Canton, since the Chinese, as yet, admit the Europeans into no other port: here it must be sold for such prices as the Chinese, bargaining with the other European traders, will be disposed to give. If the report of the Directors should be taken as the criterion, there would frequently be a loss on this sale, though sometimes a considerable gain; that is, sometimes the profit on several voyages would not be considerable. The Company, in this branch of the competition, would have every advantage. In the ships which go direct for China, the exports fill up part of the spare tonnage; that is, they carry out British produce without any other charge, except the interest of the money. From their large stock, they can sell it at a loss, since their profits depend on their imports, not on their exports, and since they pay no insurance. In this first stage of the business then, the private merchant would be ruined by the competition, and the Company's exports would necessarily be lessened. It is here to be recollected, that it is not in the exports the Company have rivals from Holland, Sweden and Denmark, but in the imports, for which these nations chiefly carry out bullion. Supposing, however, that the export trade, in the hands of the private merchant, would afford him a profit, after paying insurance and charges of every kind, it comes next to be asked, what security would
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the Public have, that the China goods would be imported into Britain (and upon this depends the duties and customs) if the trade should be entrusted to the private merchant? In this case the private merchant could not be tied down by a clearance from Canton; for, as yet, we have no such privilege. But supposing that he could be bound to clear out from that port to Britain, and even that the obligation of an oath could be added, experience has not proved, that conscience is always a match for self-interest. He might become a smuggler if he could reach the British dominions without being visited by the revenue officers; or if this could be rendered impracticable, he might carry the China produce to foreign markets, and thus, not only evade the payment of the duties on it, but, on a British capital, enrich a rival European nation. Supposing, however, that he had the probity of a good and active citizen, it would be unpardonable rashness to open the trade to China to him, as a private merchant could not carry on this trade with the same profit to himself, or with the same advantage to the revenue, that the Company have done, if we judge from their own report, even supposing them to have had no aids from the relation subsisting between Indian revenues and trade, and the trade to China.

THE second aspect of the export and import trade to China proceeds upon the idea, that the embassy, for enlarging the commercial intercourse with the Chinese empire, should succeed. Admitting the probability of this event, it would be a rash measure to vary from the present

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line of conducting the China trade upon a probability only, more particularly when the fact is adverted to, that since the passing of the Commutation-Act, the British imports from China have been doubled, while the trade of the foreign Companies from Canton has been gradually on the decrease*. Any innovation therefore, on the present system, might lessen the opinion which the Chinese entertain of the English credit and demands for China produce; and, upon the presumption that the embassy shall succeed in all its objects, a single irregularity in conduct, or in payment by an individual adventurer, might not only deprive us of the preference we at present possess, but induce the sovereign to retract the privileges he may grant, before the Company could have an opportunity of proving the reciprocal advantages of a commercial intercourse between the Chinese and the British nations†.

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* The Danish Company have only been able to send in this season 1791-2, a single ship to Canton.

† The confidence which the Chinese have in the Company, cannot be more strongly proved, than by their having been in the custom of accepting of the stamps, or marks which the Company put upon their different exports, as evidence of the fineness and value of the goods, while they examine those of every other nation. This confidence is the more extraordinary, when it is adverted to, that the Chinese, when they deliver their goods to the Factory at Canton, submit to have them examined. This circumstance arises not from a high sense of their own probity and fair dealing, and can only be explained by their consciousness of a propensity to commit frauds, and by the frequent detection and discovery of them. It was not uncommon with their merchants to cover the surface of a chest of tea with the finest kind, while the lower part was filled, either with coarse tea or with rubbish. The woollens, camblots, &c. having the Company's marks upon them, they accept of, without examining the bales.

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THE last aspect in which we can view the report of the Directors, takes in the relation which the whole circle of East-India trade bears to China. It is not the export of British produce, or of Bullion only, merely to fill up the spare tonnage of the ships that go direct from Britain to China, which supports the trade; nor is it the imports from China (profitable as they have been) that give us a fair view of the subject, we must consider Canton as the center, in which a great part of the exchanges meet. If the surplus revenues cannot always come through the Indian imports; if portions of them must frequently pass through the cargoes of country ships trading from India to China; if the different presidencies must often give bills on the treasury at Canton, to enable it to provide the China in vestment; if individuals, in India, whether Company's servants or other Europeans, frequently advance money for bills on Canton, that, in this way, the money may pass through the China trade to Europe, bearing no interest during the time that this respondentia looking business is going on, till it

Tin in pigs, though a recent export, they accept of without weighing, if they have the Company's stamp on them, a proof that the confidence is habitual. Metals, brought by individuals, are always weighed. The same confidence which is given to the quality of the British exports is not experienced by the Factories of the other European companies. The Company exported in 1791, 930 tons of tin, which, by the advices received in November last, sold for 16 taels per pecul. The exporters of the Cornwall tin, thus, have profited from this confidence which the Chinese have in the Company, whether we judge from the quantity, or from the facility with which the article is sold. If the trade was open to the private adventurer, the risk would be great, and the market might be shut against the English. This interesting circumstance can be best verified by the supra-cargoes lately returned from China.

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may be supposed to place the value in the Company's treasury in Leadenhall-street; it follows from the whole of the transactions, that we cannot estimate the profits or losses on the China trade, by the mere exports and imports between Britain and China; that is, we cannot from them judge of the value of the China branch of the Company's trade, but must observe the different streams which feed it, nourishing equally, as they run along, the export and import trade of India, the export and import trade of China, and carrying with them the public concern of bringing home the surplus revenues of our dominions. As our new dominions on the Malabar Coast produce the pepper, sandal wood, &c. so much in demand in the China market, the surplus revenue from thence must be increased in value, by sending it through the trade to China; that is the commercial connexion between India and China must become stronger by this link between it and India. Hence the necessity of allowing the China trade to remain under the exclusive privilege of the Company.

As with India, however, so with China, all the advantages of an open trade may be given to the individual merchant upon his own risk, and yet none of the disadvantages either to the Company's credit, or to the home revenue be incurred. The Company may be obliged to furnish such individual merchants or manufacturers, as chuse to risk their capitals in the export trade to China, or in the import of the raw materials from it, required for our home industry, with shipping, at a moderate rate of freight: by this expedient the adventurer will find a more profitable and certain opportunity

of proving, whether his speculations were good or not, than he could have obtained, if he had embarked in it under all the charges incident to a distant navigation; and, at the same time, the Company be compelled to the commercial exertion of encreasing the exports and imports to the utmost. In this way the Public will be enabled to fulfil whatever promises may be made to the Chinese, should they allow us a trade to the interior of their empire, and in this way ensure not only the superiority which we hold in this market, but the duties and customs which the nation receives, or may receive from the China trade.

THE Directors, in a third report to the Committee of the Privy Council appointed for all matters relating to trade and to foreign plantations, state the measures which have been, at different times, adopted by the Company, for extending the trade of Great Britain to Japan and to Persia. This report had been called for, because the Committee had been solicited to open new channels of export trade to the countries situated eastward of the Cape of Good Hope, particularly to Japan, and to the shores of the Persian Gulf. To prove that the Company had not been deficient in their efforts to extend the export trade to all the countries within their limits, the Directors introduce their report with a reference to the encouragement which they have given to men of established reputation for their publications on Indian history, geography and navigation to the expensive establishment of botanical gardens in Calcutta, Madras and

The objections of the speculator in our manufactures, further obviated by the third report of the Directors on the export trade to Japan and Persia.

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Saint Helena; to the means they have employed for improving the culture of silk, indigo, and sugar; to the protection they have afforded a public society instituted with the object of encreasing the knowledge of Indian literature, arts, manufactures and commerce; subjoining, that no place to the eastward of the Cape of Good Hope, hitherto discovered, and where, it was presumed, commerce might be practicable, had been left untried by their servants; but that it was impossible to make new and expensive establishments, unless the appearance of trade was promising enough to create in them the belief of a return.

AFTER these preliminary observations, the report states, that attempts had been made to open a trade with Japan in 1613, 1616, 1620, and 1623, at which last period, it was determined to abandon the scheme as impracticable, first, because the articles proper for sale in Japan consisted chiefly of Indian and China manufactures, viz. Silks and raw silk, spices, drugs, sandal wood, hides, &c. with a very small proportion of Europe articles; Second, because their plan of opening a connexion with China, through Japan, and of extending the circuit of trade from India to China and Japan was impracticable; Third, because all their endeavours to form connections with China, through Japan, (and these were tried at a much later period in 1673) had proved unsuccessful. Whether the want of success was owing to the interferences of the Dutch established at Tywan, or to the political confusions in Japan itself, it is difficult to say, but that these attempts cost the Company near £.50,000, is on
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their records. After stating in what the cargo of a Dutch ship from Japan, consisted, viz.* copper bars, camphire, wax-works, silk-stuffs, china-ware, some tea, Fingofa rice, &c. they conclude that this market would afford but an unprofitable return for British produce. The report then states, a proposal made to the Company in 1782, to revive the trade with Japan. It appears in this proposal, that a ship of 800 tons would be required, 200 of which would be sufficient to stow the merchandize from Europe, estimated at about £.7,000 sterling, and consisting of some broad cloth, ferges, tortoise shells, quicksilver and saffron, &c. with about £.1,000, to be invested in presents for the Japanese; and of India goods, consisting of Bengal silks, pepper, &c. the whole of the cargo valued at £.26,000 sterling, for which, in return, might be had refined copper, 7500 peculs, at 133½ lb. per pecul, English weight, in camphire, 700 peculs.

FROM the whole of this evidence, the report concludes, that the export trade to Japan, neither can be an object of attention to the manufacturers or merchants of Britain, nor of material consequence to the merchants of India. Supposing, say they, that woollens, lead, &c. were sent from Britain to Japan, to the amount of £.8,000 (and this is the extent of the probable demand) there could only be obtained, in return, about £.30,000 or £.32,000 value, in copper, an article to be found in Britain, and which if brought from Japan, to be disposed of in India, must be to the prejudice of our home mines; so that while we were gaining only

CHAP. II. £.8,000 of exports of one kind of our produce, we should be losing £.32,000 of another. Quicksilver, the only other article of the proposed export, can be obtained at a cheaper rate in China, and of course the exchange of it could bring no return from Japan. The report therefore infers, that an export trade to that island may be calculated, for the commerce from one part of India to another, but would not promote the exports of British manufacture.

THE report next proceeds to examine, upon evidence, the probability of an export trade to the Coasts of the Gulf of Persia. It states, that no country appears to be better calculated for trade than the coasts of this sea; on the one side is Arabia, at the one extremity Buffora, communicating with Bagdad and with Russia by means of the Caspian Sea, and on the other side, what formed the Persian dominions, connected inwards with rich countries, and stretching downwards to the Indus, by which, it might be supposed, a trade might be opened through Lahore and Moulton to the countries bordering on the great Peninsula of Asia. During the reign of Nadir Shah, they observe, that attempts were made to open a trade with this part of the coast, but the woollens were seized by the Chiefs, and the promises of redress never performed. From the death of this conqueror to the establishment of the power of Carem Chan, the whole of this part of the Persian empire was plunged in the deepest distress and confusion. No protection could be obtained from the Chiefs, who usurped the power in the countries bordering upon the Gulf, and though during

during his short reign, commerce had a promising aspect, yet, that since his death, in 1779, every thing has been confusion and oppression, till the accession of his nephew Jaffier Chan. The assassination of this Chief in 1789, put an end to the prospect of trade, and there is only a probability, which cannot be calculated on, of renewing it under his successor. That if we survey the country round Buffora, a dependency on Bagdad and a part of the Turkish Empire, the difficulties of carrying on trade will be found equally insurmountable, owing to the perpetual changes and anarchy in the government: that Buffora itself, (though situated near the junction of the Tigris and Euphrates and the obvious station for trade between India and the countries that stretch towards Europe) is exposed equally to the oppressions of the Turks, and to the piratical depredations of the Shaiks on the Coasts of the Gulf: that the Company have been obliged to abandon the commercial stations at Ormus, Gombroon, Bushire, and Bundareck; that at the desire of Carem Chan, they re-established the station at Bushire, yet that on the whole the profits of the trade in the Gulf have never answered the expenses: that when patterns of the Norwich and Manchester manufactures were sent to Buffora and Bushire in 1788, of qualities and colours suited to the taste of the Persians, the invoice price was so high that the goods were returned: that from a succession of wars, Persia has been drained of gold and silver, and that for a long series of years the inhabitants have established manufactures of coarse cotton and other articles for common wear, with which the southern parts of Persia are at present

CHAP. II. supplied: that notwithstanding these obstructions, European articles (and woollens in particular) would sell in Persia; but that to judge of the trade, we must take into view the profit and loss on the whole, the means which Persia possesses of paying for the goods, and the competitions to be expected from European foreigners, with the expenses of maintaining the establishments at Buffora and Bushire.

THE average amount of the annual loss at Buffora is £. 5,406 besides £. 2,311 for supplies furnished the Bombay cruisers and the charge of receiving and forwarding packets to and from Europe. The average amount of the loss at Bushire is £. 1,498 besides £. 340 per annum to the Bombay cruisers, equally necessary for the protection of the trade to both ports. The calculation of the freight for a Europe cargo to the Gulf is £. 10 per ton, exclusive of other charges which would be incurred by individuals. The reasons which have induced the Company to maintain the stations of Buffora and Bushire were, the impracticability of forming an establishment on the borders of the Red Sea where no protection could be given them; the possibility that Arabia and the interior parts of Turkey and Persia might come under a more regular government, in which event, these stations are the best for trade. If preserved, the Company's servants on the spot would obtain the best intelligence, and the expenses of a new establishment be saved. It is here (they add) to be recollected, that the proceeds of the goods sold, must be invested in the produce of the country, and that the prices at which

which goods must be sold, would be below the nominal course of exchange. If individuals were to receive gold or silver in Persia or Turkey, instead of produce, the loss from the scarcity of the precious metals, would be still more considerable; if Persian produce then, should be taken in return for European articles, what is this produce? Silks, brocades, carpets, &c.* These are not in demand in Europe. The imports from India, to Bussora and Persia, consist of Bengal piece goods, chintz from the Coast, &c.† and a considerable part of these are got off in Arabia and Turkey as well as Persia. First, these exports are not British produce and would be taken in those countries in preference to woollens and other European articles; next, the Persian products are not suited to the Indian markets and much less for Europe. Hence, the Indian goods must be paid for in Persia by gold and silver. To procure this bullion, the goods must be sold at a

* To which the report adds, manufactures of steel, sword blades, spear heads, gun-barrels, glass, rose water, otto of roses, cotton cloths, some shawls, sheep skins dressed in a very superior manner, raw-silk, some indigo and tobacco, rhubarb, irak, drugs of different sorts, dried fruits, cotton, mines of iron and copper, wool of the Kerman sheep in small quantities, wines, marble, and some trifling articles; to which must be added, Persian and Turkish coins, Venetian chequins, German crowns, and gold and silver in bars.

† To which the report adds, longcloth, Porto Novo blue cloth, Malabar, Surat and Guzerat piece goods, cuttannees, cambay, chunders, broach and feindy cotton, cotton yarn shawls, bamboos, China-ware, sugar, sugar candy, pepper, ginger, cardemoms, cloves, nutmegs, cinnamon, cassia flowers, musk-lack, camphire, turmeric, indigo, tutenague, red lead, coffee, tobacco, British woollens, iron, lead, steel, tin, and a variety of drugs.

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low price; the gold and silver of Persia, besides, are drained independently of trade by the annual resort of 10,000 pilgrims to Kubelly and Mecca. If under the whole of these circumstances, the report subjoins, the trade between India and Persia is a forced one, how much more would it be so to the European merchant, carrying British produce to Persia to procure what gold and silver it could bring. The importer could not, in India or elsewhere, find a profitable market for the produce of Persia. Having examined these subjects, the report concludes with stating the competition between the Turkey and the Indian Companies in the sale of woollens in this market, at a period when the Persian goods did bring a price in England, such as silks, carpets, &c. Even at an early period in 1681, the Company only continued this traffic, because they were compelled by their charter to send out woollens to the East-Indies, and carried part of them up the Gulf to prevent a total loss. As however, the silk manufactures of Persia have never been an object worthy of the attention of the British government, as the duty on the importation of raw-silk from Persia has prevented our manufactures from gaining ground on those of foreign European nations, as France in particular, has been supplied with it from Marseilles in return for its woollen manufactures, and as Persian silk finds its way in large quantities to Moscow, the conclusion is, that the export of British produce and manufactures to Persia, by sea, cannot be increased either by the Company or by Individuals, while that country and those adjoin-

adjoining to it remain without a regular and well established government.

From this report it appears, in the first place, that the political situation of Japan renders a commercial establishment on it impracticable. The natives are, as yet, strangers to the principles of trade, and disposed to plunder the Europeans wishing to supply their wants and to participate in their comforts. If a speculator were to carry British woollens to Japan, and, in return, to take copper, he reflects not, that he might have carried the same article from Britain to the India market, and have sold it to the Indians at a lower price. But supposing the adventurer to be allowed an open trade to Japan, and that upon a little capital, and in a small ship of 200 or 300 tons, such as the Americans sent to India, he could try the experiment of trading in woollens, &c. and of bringing copper, &c. from that island, which might or might not sell in India; it is doubtful whether the profit would pay the charges, and whether he could repeat the voyage, and not less so, whether he would be flattered by imitators. It is reasonable, however, to conclude that he would not obtain the sanction of the Legislature for the expedition; because by giving it, they would deprive the East-India Company of the profits (supposing the natives to become more civilized than they are) which the Proprietors of India stock are entitled to draw, to reimburse them for their laudable and expensive efforts, to find a market in Japan for the exports of their country.

Observations upon this report, arising from the history and actual state of the trade to Japan and Persia, and to the Islands in general.

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FROM this report it appears, in the next place, that the political anarchy on the coasts of both Gulfs, have rendered trade almost impracticable in either. In proof of this observation the Directors might have resorted to their commercial history, and added, that the Company have attempted to form an establishment at Tatta and to carry the sale of British produce, particularly woollens, up the Indus, through Lahore into Candahar and the adjacent kingdoms; but that after many trials, and after giving considerable bribes to predatory Chiefs, they could only obtain grants, which were receded from as soon as given: that though this station furnished several articles in demand in the China market, and, in particular, salt-petre of a superior quality for the Europe market, yet that it could not be maintained without a naval and military force, and that of course they were compelled to relinquish it: That they had attempted settlements at Ormus and Gombroon, but had been driven from both of these places, and that though they had aided Carem Chan, and the Shaik of Bushire, alternately with the Turks, by their Bombay marine and troops, yet that they could neither recover the prizes which the pirates from the ports of these Chiefs had taken, procure re-imbursement from the Bashaw of Bagdad, the Musaleem of Bussora, or the Grand Seignior, the superior of both, nor the expenses incurred by the fleets and forces which had defended their possessions against the Chaub and Shaiks. That they could not even, when these just claims had been receded from, obtain privileges of trade at Bussora, which could balance
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the profits, drawn by the French and other Europeans from their overland commerce by Bagdad to Bufora: that, in fine, though possessed of those Indian provinces which yielded the piece goods, opium, &c. sought after by the Arabs on the shores of the Red Sea, and though admirals of the Mogul, for the Guzerat, and carrying pilgrims from Surat to Judda; yet, that, without a force which the profits of the trade to the Red Sea could not pay, they neither could procure the coffee and the other articles of Arabia sought by the Persians and the Turks, nor bring those articles home in quantities sufficient to lower the price to the purchaser in Britain, or on the continent of Europe; much less, in such quantities as could in any degree, enable them to meet in the market the low price, to which the West-India coffee had been reduced in Europe. Speculation, thus, in trade, if it is the spring of Industry, may also be its bane; for, like Ambition, it is an object of admiration only, when it is guided by Reason and Experience.

To cut off, however, every cause of complaint from the private merchant, the Company, as in the India and China trade, may be obliged to furnish him with shipping at a reasonable rate of freight. In this case, however, from the danger and uncertainty of the trade to the islands and to the Gulfs of Persia and Arabia, it will be reasonable, that not only in the exports and imports such merchant shall proceed solely on his own risk, but that such shipping shall be at his sole expense, unless the Com-

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pany shall find it expedient to renew the measure of sending ships to these seas on their own account.

Objections to
be expected
from the
agents and
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IN the fourth place, the opinion of the Public, as well as the deliberations of the Legislature, will have to meet embarrassments from the agents or emissaries of foreign European companies. While the trade to the East-Indies was carried on by the other European nations, and by the English, merely as a trade, no other difference existed between them but the prices which the exports of each would bring in the Eastern markets, and the quantities of Asiatic produce which each could dispose of at their Europe sales. During this period, the balance of trade vibrated between Holland, France, and Britain, with the weight which the companies of Denmark and Sweden could throw into the scale. The contraband trade from Holland, Sweden and Denmark, chiefly operated against Britain, and did little if any injury to the India trade of France. From the period, however, at which Britain acquired its territorial possessions, and could not only throw the surplus revenue into its trade, but by the magnitude of its concerns, bear down those of its former rivals, a natural jealousy of its commercial and political influence in the East united foreigners in the common measures of counteracting our progress. Hence the plans in France, after the peace 1763, of opening the trade to India; and, when this expedient failed, of re-establishing their East-India Companies with new privileges. Hence the questions which had nearly led to a war with Spain,

Spain, upon the Company's endeavouring to carry their trade to new corners of their limits; hence the efforts of the Dutch and French to exclude the Company from a trade on that part of the Malabar Coast, which has recently been added to the British empire; and hence the practice of an illicit commerce to the East under the Swedish, Danish and Imperial flags.

To prove, that foreigners have beheld the encrease of the British power and trade in the East, with envy, requires only our recollecting the general combination which was formed among the Indian powers during the war 1784; that the scheme did not entirely cease at the peace of that year, needs only for proof an appeal to the source of the late war with Tippoo Sultan, and of the promises he obtained from France of assistance, in disturbing the tranquillity of the Carnatic. Though the politics of Europe have taken an unexpected turn, and though no foresight can conjecture the issue, still Britain will have to consolidate its power in the East, and to expect the secret opposition of rival nations. Should the credit which the joint-stock of the English Company, and the relation which Indian revenue bears to the trade be interrupted, foreign companies might employ portions of their joint-stock to bear down our trade in China and in India. With credit greater than that of the private merchant, if they could not obtain a superiority in the Indian commerce in which our power or influence might check their machinations, they might soon acquire a decided superiority in the trade to China. Already known

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in that market, foreign companies would, in such circumstances, endeavour to excite jealousies of the English. A single irregularity in the British private trader, would give their opponents a preference in it, and thus, if our recent conquests have any value, from putting in our hands the commodities fitted to strengthen the commercial intercourse between India and China, we might, by affording foreigners the means of counteracting us, deprive ourselves of one of the most profitable ways of realizing the Indian revenues in England.

It cannot, therefore, remain a question, that the agents and emissaries of foreign nations, wishing to participate with us in the India trade, will secretly endeavour to prevent the renovation of the Company's charter, in the hope that, as foreigners, they might draw part of the trade to themselves, or as adventurers connected with English merchants, might carry it on partly on British capitals. It is to be recollected, that if the exclusive privilege should be taken from the Company, and the revenues be placed entirely under the management of the executive power, it is doubtful whether any controul over the India Company's trade could be continued, any more than it is exercised over the trade of any other commercial Company in this country. It is obvious, however, that the Company would still continue a body corporate, entitled to trade on a joint stock: that foreigners, by becoming purchasers of stock, might acquire an undue influence in Leadenhall Street, and that this influence might be used to divert the imports from the

East into foreign ports, to the detriment equally of our home customs and duties, and of the general navigation of Britain. The number of ships employed in the import trade as well as the tonnage occupied by the re-export trade, might, by such a measure, be diminished or lost.

SUPPOSING, however, these evils to be imaginary only, there is one consequence of depriving the Company of its exclusive rights, of which foreign nations must obviously avail themselves. In the event of Britain being involved in a war, either in Europe or in India, and our trade to the East, at the same time, being laid open, not only foreigners as merchants, but the private British trader, who had risked his capital in the trade to India or to China, in ships under foreign flags, would shelter himself under a neutral flag and become possessed of the greatest share of the trade. Neutral powers in Europe could, in such circumstances, carry on the trade both export and import, without any but the common risks in peace, while either the Company continuing to trade on their joint stock, or the private British merchant, in the capacity of a fair trader, would be exposed to all the contingencies of war. The balance of profit, of course, would be in favor of foreign countries, or of the illicit British trader under their flags, while the Company and fair private trader neither could support a competition with them, nor the expenses of a long circuitous voyage. They could not, were even this objection unfounded, defray the charges of an increased insurance, nor bear up under the losses of capture by an enemy. If then foreign nations, from a natural

Consequences of listening to them.

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rivalship, will endeavor, by their agents, to snatch from the English Company the privileges which it enjoys, and if, as the most successful means, of bringing about this end, they would secretly instigate the British adventurer to unite with them in measures, the tendency of which, from a natural love of his country, he probably does not foresee, nor if he did, would be induced to support, it is the duty of the English nation, about to decide on the greatest commercial question which has ever been submitted to their candor and judgment, and for the Legislature, in a particular manner, to be on their guard, against the insidious schemes of its foreign, secret, or avowed enemies.

These Objections afford an additional reason for continuing the exclusive but modified privileges of the Company.

HAVING thus pointed out the probable means which men who wish to become adventurers in Eastern trade, which men, who are to draw their fortunes from stock-jobbing or who will try to engraft, on Indian affairs, their domestic political ambition, and which men, who are to speculate in our manufactures, and the emissaries or agents of foreign companies may resort to; and having endeavoured to guard the Public against their plausible, but insidious schemes, by stating the probable consequence of adopting them, we have now only to recur to the principle, upon which it has appeared expedient to renew the charter of the East-India Company, and to bring forward propositions for the future regulation of the trade. These propositions, it is obvious, must accord with the nature of the government required for British India, and of the judicial, financial, and military powers under this government. They must

must also be calculated to invigorate the trade which binds India to Britain, and have, as the leading object, the mutual benefit of the East-India Company and of the Public.

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THERE are three distinct aspects of the East-India trade, the exports from Britain; the exports from India circuitously to the Islands, to China, and to Britain; and the imports, in general, from the East-Indies to Britain, consisting of Indian and Chinese manufactured produce, raw materials for our manufactures, and the re-exportation of the former to European or other markets.

The whole of the East-India trade divisible into exports, circuitous exchange within the Company's limits, and imports to Europe.

UPON the supposition that the exclusive trade shall be conferred by the Legislature upon the Company, for a further term, it is to be recollected, that though the management of the trade will necessarily be in the hands of the Directors and Proprietors, still it is to be a regulated trade, and in its principle and progress to be under the controul of the Commissioners for the Affairs of India, and of Parliament. The following suggestions, therefore, on the branches into which the trade divides itself, viz. Exports from Britain to the East, circuitous trade within the Company's limits, and imports to Europe, with which is connected the re-exportation trade from Britain to His Majesty's European dominions, or to the dependencies of the British empire, are submitted for consideration.

FIRST. It is suggested, on the subject of the export trade, and with the object of removing every objection against the

PART II.

exclusive

CHAP. II.

Export Trade.

To open
through the
Company's
ships, the ex-
port trade to
the private
merchant and
manufacturer
on their own
risk.

exclusive privilege of the India Company, that the export of British Produce should be opened to the individual merchant or manufacturer, upon his own risk ; that is to say, that the Company should find shipping at a moderate rate of freight, to the individual merchant or manufacturer, who may chuse to export produce from any of His Majesty's European dominions to ports or places within the Company's limits, intimation being first given by such exporters, (at a time to be specified) some months, at least, before the commencement of the season, at which the Company's ships leave Europe, of the quality and quantity of the goods he intends to send, and security that the goods are to be ready for reception into the Company's warehouses by a specified day. By this expedient the individual exporter will have every advantage, which he could propose, from an open trade to the East-Indies, and yet the Public will have security, that the preference which the British produce has had in the Eastern markets, shall continue upon the solid basis of the intrinsic value of the goods. The great national object thus will be gained, viz. that of extending the export trade as far as the demands for our produce, crude or manufactured, will bear*.

SECOND.

* In illustration of this proposition, it is to be observed that these exports consist of such articles as are manufactured from materials which are British, such are woollens, hardware, lead, tin, copper, &c. and of such articles as depend upon materials brought from the East-Indies, such are wrought cotton, silks, &c. The export of both kinds should be of a quality that will preserve the estimation in which British manufactured produce is held in the Eastern markets. It is also to be observed, that the British mines can furnish lead, tin, copper, &c. of an equal fineness and at a lower price than these articles can be had, either from the Continent of Europe, or from the Eastern Islands. The Court of Directors have listened to this proposition

CHAP. IX.

Circuitous Trade.—First: the Company to employ ships in carrying Indian produce to the different countries within their limits.

SECOND. It suggested on the subject of the circuitous trade. 1st. That it shall be recommended to the Company to lay down such regulations for their foreign government as may tend to encrease the exports from India to China and the Islands, and to the Gulfs of Persia and Arabia. For this purpose they might annually send out a certain number of their ships, before the time at which the ships of the season usually leave England, or at least, as early as the nature of the voyage will admit of their sailing, for Coast and for China, for the purpose of taking on board, on the Company's account, such parts of the produce furnished by our former, or by our new acquisitions, as are in demand in the Islands, in China, or at the Company's seats of trade upon the Coasts of the Gulfs of Persia and Arabia. It might be left to the respective presidencies, to judge from the price these articles will bring at the different markets, what quantities of Indian produce will find a sale, sufficient to defray the encreased expenses of the voyage.

In illustration of this plan, it may be observed, that by such an expedient, the profits of the trade abroad would be considerably encreased, and the exports from India, of the foreign European companies to China, diminished.

proposition with a liberality that reflects honor upon their proceedings, in their "Observations upon a Letter from the Right Honorable Henry Dundas, dated the 16th February 1793," they propose to furnish, every season, four ships for Bengal, two for Madras and two for Bombay, of 800 tons each, or tonnage equivalent thereto, for the purpose of receiving any of the manufactures of Great Britain or Ireland, at the freight of £.10 per ton, weight or measurement (recruits in time of war excepted), if the same shall become necessary. Page 15 of "Papers respecting the Negotiation for a Renewal of the East-India Company's Exclusive Trade."

CHAP. II. Many of the productions of India, find a profitable market in China, from the circumstance of English property being vested in that trade, as carried on by foreigners. It has been common with the Company's servants, and other licensed inhabitants, to advance a sum to the private merchant in India, on a respondentia bond. With this sum the merchant purchases India goods, (for example) for the China market, and having sold them at Canton, he is enabled to purchase China produce for the European markets. The bond is payable in London, by the owners of such ships, and sent for acceptance, either to agents of foreign companies in England, or to the Danish and Swedish companies. An interest of about 9 per cent. is paid on the bond, from the time it is supposed the original cargo has been sold in China, or the China goods in Europe; that is, 6 or 9 months interest is drawn, at the same time that the principal is paid off, and that generally about twelve months after the arrival of the ship in Europe; in other words, when the borrower of the money has realized the whole profits of the voyage. In this way, foreigners have been enabled to trade upon a capital that is British, to the detriment equally of the circuitous trade in India, and of the Company's sales in London.

It may also be observed upon this measure, that not only our ancient possessions, from the nature of the produce they afford, but our recent acquisitions, in a particular manner, are calculated for this circuitous commerce. From an authenticated account of the Company, it appears that the cotton imported at Canton from India, from 1775 to 1784 inclusive,

inclusive, amounted on an average in Company's ships, to ^{tons cwt.} 673 15 in country ships to ^{tons cwt.} 930 10 annually. The average by foreign ships annually, ^{tons cwt.} 260 5 and that the average price for 10 years, was 168 tales per ton. Judging from this single example, and from the general accounts of the private traders from India to the Islands or to China, or to the Coasts of the Persian and Arabian Gulfs, it would be advantageous to the general interests of England to carry on the trade from India to China, as far as possible, upon the Company's credit and account; for supposing the former minuteness of their concern in this way to have arisen from the difficulty of making up an assortment of Indian produce for these markets, that difficulty is now done away by our late territorial acquisitions. We have now no longer a native power, like Hyder Ally or Tippoo Sultan, to restrain and oppress the Company in procuring the pepper, sandal wood, &c. on the Malabar Coast, but are, in fact, the Proprietors of the country which produces these articles. Hence, if the surplus revenues from all our possessions can pass more profitably to Europe by a circuitous trade to China (and this must be the case from the profits on respondentias already referred to), it is of importance, that this branch of the Company's trade should be under a regulation proceeding immediately from the Directors themselves.

IN the event of the non-arrival of the Company's ships destined for the service, it may be for the consideration of the Directors, whether they ought not to authorize the Presidents

Cases in which country ships may be employed in this trade.

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and Councils of Bengal, Madras and Bombay, to prepare cargoes of Indian produce for these markets, and to take up country ships at a reasonable and stated freight, and send them with India produce direct to Canton, or to such ports of China, into which (in the event of the embassy succeeding) the British ships may find admission. It is obviously for the interest both of the Company and of the private merchant, that none of the contingencies, incident to a long navigation, should impede the returns expected by the one or the other.

SHOULD the present embassy succeed in their attempts to open a trade into the interior of the Chinese empire, the exports, both from Britain and India carried to the China markets, would then be lowered as much as possible in price in that market and augmented in quantity. The factories in China would of course be able, at all times, to have goods ready to be exchanged for what quantities of the China produce the Company may require, to bring down the prices in the Europe market, below that at which the European Companies can sell, whether such articles as are for immediate consumpt, as teas, &c. or such articles as minister to our own manufactures, as raw-silk, &c. or may be in demand for re-exportation to the foreign European markets, as teas, porcelain, &c.

1. To establish such intermediate stations of trade in the countries within the Company's limits: as the trade to them can afford.

SECOND. It is suggested for promoting this circuitous trade, to establish as many intermediate stations between India, the Islands, China, and the two Gulfs as the trade will admit of. On this subject, we must for illustration have

have recourse to the experiments already made, or to those making by the Company. From the report of the Directors upon the trade to the Gulfs of Persia, it appeared, that Indian is better suited than European produce for that market, and that if Persia has little to return but its limited quantity of gold and silver, at such an unprofitable exchange, as has hitherto made the trade with it, rather a forced one, still that this commerce must chiefly be carried on between India and Persia, rather than between Europe and Persia. It has been found too, that though the Islands will accept of many European articles, yet that the Indian produce will find a better sale in them. It has been found also that these Islands furnish many articles which they give in return for European and Indian produce, and that articles will be accepted of in the China market, as elephants teeth, coral, &c. in particular, that the new trade to Nootka Sound furnishes articles in general demand in the north of China, as furs, and that, upon the whole, though the plan of establishing new stations in the countries within the Company's limits may be an expensive one, yet, that the Company alone can carry it into effect, and ought to be encouraged in forming them. In this way, the returns to Europe will neither depend upon our exports alone, nor upon the weight which the surplus revenue passing to Europe, necessarily throws into the general trade of the Company: The profits of a trade it must be remembered, do not so much depend upon the price which any one commodity will bring, as upon the number of profitable exchanges which can be introduced into the circle of it.

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*Import and re-
exportation
trade.*

ON the subject of import and re-exportation, it is for the Legislature to consider in what way this important branch of the East-India trade may be improved. In submitting observations upon this subject, it ought to be premised, that during the last twenty years the British manufacturers have, out of materials brought from the East, imitated most of the productions of the Asiatic arts, and with so much success, as not only to have divided the profits with the Company, but to have, by their progressive skill, checked the encouragements required for restoring internal prosperity to the industrious artizan and manufacturer in India. To curb the British manufacturer, on the one hand, would be unfair, to ruin the India manufacturer would be unwise; the prosperity of an empire depends upon an equal distribution of advantages to all the parts of it. The Legislature, of course will have to take care that neither the Asiatic ingenuity and industry shall fail of its reward in the Eastern and European markets, nor the European ingenuity and industry be in want of materials on which they can be exercised; the markets of the world may be opened to both, and the competition of the distant parts of the same empire become the source of their common prosperity.

1. Encouragements to be given for the culture of raw materials for our manufactures and articles of consumpt in China, &c. and in Britain.

FIRST. Upon these subjects, it may be suggested, in connection with the settlement of the rents of lands, and duties and customs upon arts and commerce in India, as marked out when treating of the financial power, to hold out to our native subjects in Hindoostan every possible encouragement for raising and exporting such raw materials, as either are used

by

by our home manufacturers or are in consumpt in our home markets ; of the former kind are cotton, raw-silk, &c. of the latter kind are, indigo and sugar from the Bengal Provinces, and pepper and cinnamon from our new acquisitions on the Malabar Coast. The first of these kinds of produce comprehends articles not only in demand in Britain, but in China, so that while the encouragement to raising cotton (for instance) will cheapen the price of that useful article at home, it will also serve as a profitable article of export to China, there to bring a price to be invested in the produce of that country of a crude kind, as raw-silk for our home manufactures, or articles of luxury, as teas for the Company's sales. It has, in illustrating a variety of points on this subject, been already observed, that the Indian produce, such as pepper, sandal-wood, &c. are in demand in the China market, so that the encouragement in raising them will tend to the common advantage of our Asiatic dominions, and of the trade which is to connect them circuitously in remitting the surplus revenue to Europe. The latter of these classes of produce, or articles for the consumpt in Europe, such as indigo, sugar, &c. while the culture of them will restore internal prosperity to the Indian provinces, it will have a material effect upon the home manufactures and market. The culture of indigo for example, will bring the price of it sufficiently low, to prevent combinations among the West-India planters for keeping up the price of that necessary article in the woollen manufacture, and thus enable the merchant to export with more advantage the staple of this country. The culture of sugar will be equally advantageous to the Indian farmer and trader,

CHAP. II. by enabling him to discharge the rents on a property now made perpetual to him, and it will tend to throw a sufficient quantity into the market at home, of an article which has now become almost a necessary of life, and intimately connected with the consumpt of the imports from China, while it will prevent the combinations of which the public have, with so much reason, complained. By these combinations the West-India merchants have raised the prices in the home market, and at the same time, enriched themselves by drawbacks on the re-exportation.

2. The Company to furnish the private merchant with shipping for bringing home raw materials in return for his exports, or to grant him bills.

SECOND. It is suggested in connection with the plan of obliging the Company to furnish shipping at a reasonable rate of freight, to the private merchant, for the export of British produce, to require them to find shipping, at a like reasonable rate, for such imports of raw materials from the East-Indies for our home manufactures, as the sale of the exports can purchase, or to direct the presidencies abroad to give them bills for the proceeds of their exports, upon such terms as may encourage the export trade from Britain, and afford a sufficient compensation to the private merchant for making the return by bills, in place of doing it by an homeward cargo. This indeed is but the necessary link, in the chain of exchange, by which, without any risk to the home revenues, the trade can be opened. For the Company, on the one hand, if they do not import materials sufficient for the home manufacturer, and at such price as he can work with profit, will have no reason to complain of these materials being brought home at the risk of another, particularly when they are to have freight

freight on the import; and the private merchant or manufacturer will have as little reason to complain, since he, by this expedient, will have an opportunity of speculating to the utmost extent of his capital, without being exposed to the temptation of defrauding the public revenue, by carrying East-India imports to foreign markets, and without being exposed to the charges of shipping and insurance, beyond a reasonable rate, either on his export or import trade.

THIRD. It is suggested to modify the duties upon the imports of East-India produce, on the following principle. Upon the import of manufactured produce in the proportion that will keep up a fair competition of ingenuity and industry between His Majesty's British and Indian subjects; upon raw materials, in the proportion that will give a decided superiority to the British manufacturer over the manufacturer of the same articles among foreign European nations; upon the East-India articles for consumpt, as indigo, spices, &c. from our own settlements, teas, &c. from China, as shall enable the purchasers at the Company's sales, to buy with greater advantage than they can do at those of foreign companies, and, as in the case of teas (since the passing of the commutation act,) to give to His Majesty's European kingdoms the balance both of trade and of profit against foreigners, who, from not having Asiatic dominions nor such large investments, must necessarily lose in the competition.

3. The duties on imported India and China produce to be modified.

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4. Illicit trade to the East-Indies by British merchants trading under foreign flags, to be checked.

THIRD. It is suggested, that the 9th Geo. I. which established certain penalties against those concerned in the Ostend East-India Company, shall be explained and amended. Though this Company was abolished by a treaty, subsequent to that period, the trade has, of late years, assumed a new and formidable aspect. It has been a practice with private adventurers in London, to purchase old India ships; after giving them a thorough repair, these ships are sent to Ostend, and loaded with goods from Holland, the Austrian Netherlands, and France, with a small quantity of British produce, such as the Company send out, but chiefly with military stores, to be disposed of to the country powers. On a British capital, in this manner, and with a British supra-cargo, though with a nominal foreign captain and under a foreign flag, the vessels employed in this trade have resorted to India and to China. Such part of their exports as are Dutch, French or German, as spirits, wines, &c. give advantages in the Indian markets to foreign nations, and check the Company in their sales of the same articles. Did their exports of British produce consist of British woollens, hardware, &c. only, there might be a reason for encouraging them; but as they chiefly consist of military and naval stores, to be disposed of among the native powers; allowing these articles to be furnished by Britain, the trade is only calculated to injure the British provinces in the ports in which these nominal foreigners, but really British subjects, find protection.

tection.* Upon the return of the vessel from India or from China, under pretext of touching at Britain, one part of the import cargo is smuggled, and another part has been carried to Ostend, either to be disposed of in Flanders, Germany, and the North of France; or to be kept in warehouses to be smuggled as part of a contraband cargo of European goods into Britain or Ireland, or to be sent to our American and West-India dependencies. Such are the facts, and it is for the wisdom of Parliament to devise expedients for remedying this growing evil. It will be allowed, that it is contrary to the faith of treaties to interfere with the flag of a foreign power; but it has been not less contrary to the good understanding subsisting between the British and Imperial courts, for the latter to afford its protection to the subjects of the former in a commerce obviously tending to abridge our revenues. Laying aside, however, reasoning on the faith of treaties, or the honor of nations, Parliament may declare the trade to be illicit; and upon proof that the ships, goods, and crews are British, confiscate the two first before the ships leave the Thames, and outlaw the last. Parliament may also subject the sale of the cargoes in the British ports in India, though it cannot in China, to duties amounting to a prohibition. If the exclusive privilege of trade is to be renewed to the Company, upon the principle, that this is the most expe-

* It has of late been a practice with the owners of these ships, to purchase French woollens at Abbeville, and French imitations of the British hardware for this trade, at a lower price, and of an inferior quality, than they can find them in Britain.

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dient for the nation, the Legislature will, of course, extend its protection to them in every possible way.

5. The Company's sales to be farther improved.

FOURTH. It is suggested,* that means should be devised for simplifying the Company's sales, and doing away the complaints which have, (perhaps improperly) been made on this subject. The retailer has complained that the lots have been too large, and the private consumer that they have been inaccessible to him, from the same cause. The retailer, in the distant towns of Britain itself, and much more those, who purchase East-India goods by commission, to be re-exported to the British dependencies and to foreign countries, have complained, that the expenses of agency and of carriage have raised the price they can sell at, so high, that they frequently are unable to meet the smuggler or the illicit trader in the market, at least with the same advantages that the retailers can do in London. If, on the one hand, it would be difficult and perhaps dangerous, to innovate on the present practice at the Company's sales, of which, for their own interest, the Directors and Proprietors are the best judges; on the other, it is certainly for the advantage of the Company, that such measures should be adopted, as shall do away all manner of reasonable complaint in the purchasers, foreign or domestic, among whom the consumption and diffusion of East-India imports to Britain depend. Leaving then the sales with the Directors alone, as at present, it is suggested, that it be recommended them to make, from time to time, such regulations for extending the benefits of their sales to the individual, the retailer, and the re-exporter,

re-exporter, as may tend to remove complaints upon this subject, and that these regulations be communicated to the Commissioners for the affairs of India.

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SUCH seems to be the plan, upon taking a general view of all the circumstances, which appears to be calculated for maintaining and invigorating the trade of Great Britain in the East-Indies, in connexion with the political arrangements required for our dominions in Hindoostan and its dependencies, during the proposed prolongation of the Company's term.

Result of the whole of this commercial system.

HISTORICAL VIEW
OF PLANS,
FOR THE GOVERNMENT AND TRADE OF
BRITISH INDIA, &c.

CHAPTER III.

IDEA OF THE DOMESTIC ADMINISTRATION, WHICH, IN COINCIDENCE WITH THE PRECEDING PLANS OF FOREIGN GOVERNMENT, AND OF EAST-INDIA TRADE, APPEARS TO BE PRACTICABLE AND EXPEDIENT FOR RENDERING THE BRITISH PROVINCES IN ASIA AND TRADE TO THE EAST-INDIES MORE EFFICIENT BRANCHES OF THE EMPIRE, AND OF ITS RESOURCES.

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political Jealousy.—The present System of Administration of Indian Affairs modified and regulated, has all the Advantages of Experience in its Favor, and none of the Dangers incident to untried Theories.—Recapitulation of the Principles which require, that this System should be continued.—The Domestic Government of Indian Affairs divided into two Branches, that of the Courts of Directors and Proprietors, and that of the Indian Commissioners.—Sketch of the Constitution of the Courts of Directors and Proprietors.—Manner in which the Business of the Directors is portioned out among regular or standing Committees.—First Class of the regular or standing Committees.—Second Class of regular or standing Committees.—Third Class of regular or standing Committees.—Improvements which have been suggested on the Constitution of these regular Committees, by the Directors.—Origin and Establishment of the Secret Committee,—of the Committee of Secrecy.—1st. Suggestion, respects the Capital Stock, and the Qualification to vote, and to be elected into the Direction.—2d. Suggestion, respects the Court of Proprietors.—3d. Suggestion, respects the Court of Directors.—4th. Suggestion, respects the Powers of the Directors to appoint Committees.—5th. Suggestion, respects the executive Powers entrusted to the Secret Committee.—6th. Suggestion respects the Appointment of Writers by the Directors, and the Line of Promotion in the Civil Department.—7th. Suggestion, respects the Appointment of Cadets.—8th. Suggestion, respects the Management of the Trade.—Constitution of the Board of Commissioners for the Affairs of India.—Circumstances which led to the establishment of it.—1st. Suggestion, respects the Constitution of the Board.—2d. Suggestion, respects their Powers.—3d. Suggestion, respects

respects the Business of the Board,—4th. Suggestion, respects the Powers of the Commissioners and Directors in forming Plans for the Improvement of Indian Affairs.—Result of these Plans.

THE engrafting a distant and dependent territory, upon an absolute monarchy, is only adding another degree of power to a body, the strength of which encreases with its magnitude. The difficulty, in this case, is to find the means of preserving the allegiance of the officer, to whom this share of power is to be delegated. The temptations which a situation, remote from the seat of empire, afford him, of asserting and establisning his independence, have frequently been found to be irresistible. Assailed by them he betrays the trust reposed in his allegiance, and yields to them in proportion as the spirit of a government becomes despotic. These circumstances seduced from their duty the Proconsuls of the provinces of Imperial Rome, and they made rebels of the Mogul Omrahs who were Governors in the distant Soubahs. Both oppressed the subjects and both amassed the wealth with which they were first to hire followers, and next to dethrone their masters. The one prepared the empire of the West for the inroads of the Goths, the other that of the East for the Persian, and Afghan spoilers.

CHAP. III.

The relation of the foreign dependencies of an absolute government, difficult to be maintained.

IN monarchies of a defined character, allegiance is more positive in its nature, and the relation of the distant territory to the sovereignty more fixed. While the French

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monarchy was in its vigor, a sense of honour dictated fidelity in the Governors of its foreign settlements, and "a proud submission" to its monarch, inspired a zeal in its officers for the glory of their country. M. Dupleix, with all the vanity and levity of his nation, fought only to give to France an empire in Asia, that she might curb the trade of Britain in Europe; with the example of the Omrahs before him, he dreamt not of imitating their rebellion. The allegiance of the subject, in this case, was as honorable, as it was ultimately unrewarded. Even the misconduct of his successors, which lost to France that prize which the bold design of Dupleix had grasped at, remains a proof of the facility, with which the spirit of the monarchy would have enabled France to have retained, had it acquired an Asiatic empire.

The relation of foreign dependencies to a free government, a perpetual subject of political jealousy.

IN governments, again, which have a free defined constitution, like Great Britain, the difficulty of preserving the relation between distant provinces and the sovereignty arises solely from the political arrangements required to maintain them. From the nature of the British constitution this relation must invariably be a subject of political jealousy. Should the officer, to whom the power is delegated, on the one hand, be at the command of the executive power, then the legislative power might apprehend, that he could become an instrument fitted to abridge the privileges of the subject. Should the same officer be entirely in the nomination, and under the controul of the Legislature, then the executive Power might be depressed below its constitutional character, and,

and, in the event of a war, could not be exerted with the energy or promptitude necessary for the safety of the State. It is a domestic government between these two extremes, in delegating power, which points out the system required for British India. It must give to the Governors abroad, the authority required to preserve a distant possession, and yet it must limit them in the exercise of it, by the restraint of the approbation or disapprobation of the Legislature. A system of this kind cannot arise from theory alone, for though the theory might be perfect in description, it would be without the experiments which fit it for practice, or that could reconcile it to the progressive actual state of affairs.

THE present domestic system of Indian government will fully illustrate these principles. At first view it may appear extravagant, that a Company of Merchants either ought to be entrusted with the administration of extensive provinces, or that they could have exercised this privilege, so as to have preserved them to their country. It must appear not less extravagant, when the controul of this power was entrusted to the executive government, under a responsibility to Parliament, that the Commissioners for the affairs of India should have been clogged in their operations, by the interferences of a commercial body, constituted upon so vague a principle, as the purchase of a share of proprietary stock. Events, however, have shewn, that these apparent incongruities in the domestic government of our Asiatic possessions have, in fact,

The present system of administration of Indian affairs, modified by new regulations, has all the advantages of experience in its favor, and none of the dangers incident to untried theories.

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been the source of their prosperity. The Company, though their conquests were unexpected, had acquired the habits of administering the government of them, in connexion with the trade which was to bring home the revenues for the benefit of the Proprietors and of the Public at large. Allowing for all the errors which individuals among the Directors may be supposed to have committed, still the Court was acquainted with the nature of our Asiatic possessions and trade, and when placed under the controul of the executive power and of Parliament, has been distinguished by a beneficial management of both. The India Commissioners must, at first, have been comparatively strangers to the events which could guide them, in the administration of Indian politics and finance, and more particularly so, to the exchanges required by the spirit of the trade which brought the surplus revenues to be realized in Britain. Without therefore the opportunities to draw knowledge from the Directors, the most enlarged and liberal principles of government might not have been applicable to the political situation of India, and the finest theory of commercial œconomy, might not have suited the actual stage of trade in which the Company were proceeding. If, on the one hand, without the knowledge of the general interests of the empire, the Directors might have involved the Company and the nation in political evils; on the other, without the information which the Directors could give, on the relation which the trade bore to the revenues, administration could not have brought the Indian interests of the nation to the state in which we happily find them. It will

will be allowed, that the Commissioners for the affairs of India may have often been obstructed by the remonstrances of the Directors, but this circumstance has rendered the orders of this Board more coincident with the political situation of the East, and more beneficial to the Company; and it will be admitted, that the Directors may have had their commercial enterprizes modified by a necessary caution in the executive power. These circumstances, however, have been the source of prosperity to the Company and to the nation. To this mixed system then, of administration, combining in it the experience of the Company in trade and in Indian affairs, and the knowledge and exertion of the executive power, stimulated by their responsibility to Parliament, we must ascribe the beneficial arrangements which have been introduced into our foreign possessions in Asia, and the plans which have been devised, at home, for maintaining and invigorating the trade to the East-Indies. The conclusion is necessary, that, in coincidence with the preceding systems of foreign government and of trade, it will be more wise to continue the present system of domestic Indian government, founded upon the basis of old and established practice, than to adopt any plausible theory, merely for the sake of a new or splendid experiment.

IN continuing the system of domestic government on its present basis, with such alterations and modifications as the enlarged limits of the British Indian empire require, and

CHAP. III. the improved state of the British navigation and trade may suggest, the Public will lose none of the present advantages which it possesses, and yet can superadd to them such improvements, as seem calculated to render the Asiatic concerns of Britain more diffused and productive. The Proprietors and the Directors will not lose any of the privileges which experience has shewn to be requisite for the prosperity of their affairs, and the Public will retain in its view those checks upon the executive power in the administration of Indian affairs, which at once are the offspring and the nurse of the constitution.

Recapitulation of the principles which require that this system should be continued.

BEFORE bringing forward an idea of the species of domestic administration, which, in coincidence with the preceding plans of foreign government and of East-India trade, appears to be practicable and expedient for rendering the British provinces and trade to the East-Indies beneficial to the empire and one of its resources, we must slightly recur to the principles upon which it has appeared, that a system for Indian affairs must proceed.

WE have found that the Legislature, after the expiration of the present charter of the East-India Company, has a right to dispose of the Indian provinces and trade to the East-Indies, in the manner which it shall deem most advantageous to the Public interest, but that the Company, which will remain a body corporate, entitled to trade to the East-Indies, upon a joint stock, must be left in a situation to discharge all its just debts, and upon the supposition of its
exclusive

exclusive privileges being taken from it, have the fair value of its foreign property and capital stock ; that the government abroad must be suited to the characters of our Indian subjects, in the political, financial and military powers required to administer it with effect : that the exclusive trade to China must be continued with the present East-India Company, and that the connection between India and China ought to be improved, as the best means by which the revenues can be realized in Britain. If these are results from the history of India and of the trade to the East-Indies ; and if it shall be deemed expedient to renew the Company's charter, as the most certain means of preserving and invigorating the public interests, the present division of domestic government between the Company and the executive power must remain, but with such modifications and improvements as shall be calculated to render the administration of the one as beneficial to the Proprietors as possible, and of the other as responsible to the Public, as the constitution requires.

IN giving an idea of the domestic government for our Indian affairs, we shall take advantage of the divisions on this subject which the present plan of regulation affords, and treat first of the domestic system for the Directors and Proprietors, and next of that which it may be expedient to continue in the executive power. After we have viewed the progressive aspects of both, we may then submit suggestions for the future arrangement of each.

The domestic government of Indian affairs divided into two branches, that of the Directors and Proprietors, and that of the India Commissioners.

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Sketch of the
constitution
of the Courts
of Directors
and Proprie-
tors.

I. The union of the proprietary stock of the Company, if not the principle upon which their commercial and political existence began, soon became that upon which it rested. Every thing, which events in the trade and in the acquisition of territory has given them, has been held as accessories to this original bond. The Proprietors since the first institution of the London and union of it with the English Company, have enjoyed the privilege of assembling at stated times to give their voices upon all matters relating to the Company's affairs. The ordinary administration has been vested in twenty-four Directors. In selecting them from among the Proprietors by ballot, the titles to vote and to be elected a Director have varied at different times. Every Proprietor, under the present regulations, possessed of £.500 stock, may give his advice and vote by holding up of hands; but to vote by ballot requires £.1,000 stock. £.3,000 entitles to two votes, £.6,000 to three votes, and £.10,000 to four votes, which is the greatest number that any Proprietor is allowed to possess*. A Proprietor must be possessed of his stock for twelve months before he can give his vote by ballot. This check was either devised from the opinion, that time is required to render a Proprietor a judge of his own interests, or to prevent Proprietors from distributing their capital among their dependents in such a way as to acquire an undue influence.

* See Short History of the East-India Company, (1793) page 26. When a Proprietor votes by ballot, he takes an oath, that the property is his own, and not held by him in trust for another.

A DIRECTOR, at the present time, must be possessed of £2,000 stock to entitle him to be elected. The election is made at a specified period of the year (the month of April), and the votes are given by ballot. Upon the principle that those who have held the Direction, have, from their situation, had the best opportunity of knowing the Proprietors who are qualified to succeed them, a "House List" is handed about to the Proprietors for their adoption, leaving them to alter the names according as their feelings or judgment respecting their own interest may prescribe.

THE business of the Court of Directors has been divided among a certain number of Committees, of which the Chairman and the Deputy-Chairman are always members, viz. the Committees of Correspondence, of Law Suits, for the Military Fund, of Treasury, of Warehouses, of Accounts, of Buying, of the House, of Shipping, of Government Troops and Stores, of Private Trade, and for Preventing the Growth of Private Trade; but the decisions of these several Committees are subject to the revision and confirmation of the Court.

Manner in which the business of the Directors is portioned out among regular or standing Committees.

THE first class comprehends the Committees of Correspondence, of Law Suits, of the Military Fund, and of Treasury.

First class of the regular or standing Committees.

THE business assigned to the Committee of Correspondence, is by much the most extensive in the whole of the Company's administration. This Committee has

CHAP. III. to examine the advices from India, and to prepare and draw up the answers for the consideration and approbation of the Directors. It has to report to the Court, the number of ships which may be required for the trade in each season, and the stations to be assigned to them. It reports the number of civil and military servants necessary for keeping up the establishments abroad, and the applications of all civil and military servants for leave of absence, or to return to their respective stations. It examines and determines, in the first instance, on the application for redress of grievances or pecuniary demands on the Company. It submits all appointments necessary to the Secretary's, Examiner's and Auditor's offices, and of those officers who manage the Military Fund and Treasury, to the Court of Directors for their approbation.

THE Committee of Law Suits, as its name imports, directs prosecutions and defences in all suits, in which the Company are parties, and, in general, whatever may become the subject of litigation at home or in India. In the discharge of this trust, this Committee communicates with the other Committees, in whose department the subject litigated may originate. All bills of law charges, in the first instance, are examined by this Committee, and reports made on them to the Court of Directors.

THE Committee for the management of the Military Fund, which is applicable solely to the Company's invalided

invalided officers or soldiers, or to the support of the widows of such as may have fallen or died in their service. If the Company should have no military force in their actual pay or service, in the East-Indies, then the fund is to be applied, in the same manner, to the support of the invalided marine servants, or of the widows of these servants; and if the Company should cease to employ troops or a marine, then the sum out of which the fund originally arose, reverts to the representatives of the donor.* The duties of this Committee are, to investigate the cases of the invalided officers and soldiers, the claims of the widows of the military servants who have died in the Company's service; and to admit, as pensioners, such as come within the description of the deed, establishing this fund between the Company and the late Lord Clive.†

THE business assigned to the Committee of Treasury is divided into different branches: this, provides, agreeably to the orders of the court, for the payment of dividends and of the interest on bonds; and it negotiates whatever loans the Company's credit may at any time require. It purchases, for exportation, the bullion or foreign coins,

- * The fund consists of £.62,833 capital, from Lord Clive
of 37,700 from Syf-ul-Dowlah
of 24,128 from the contingent fund.

The whole of this Fund carries an interest of 8 per Cent.

† The deed is dated, 6th April, 1770.

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and superintends the weighing and packing of it. It has the duty of affixing the Company's seal to the counterparts of charter-parties, supra-cargoes, factors and writers covenants; to bonds to be given at the Custom-house; and, in general, to whatever bonds or investments the court may authorize. It examines, monthly, or oftener, the several species of which the balance of cash consists. It judges, in the first instance, of all applications, on the loss of bonds or other money transactions, on the delivery of unregistered diamonds, bullion, &c.

Second class
of regular or
standing
Committees.

The second class comprehends the Committees of Warehouses, of Accounts, of Buying, and of the House.

THE business allotted to the Committee of Warehouses, is in general, the management and superintendence of the Company's commercial concerns, but particularly of their imports. To this Committee a variety of branches in the trade are entrusted; such are, arranging and suiting the orders sent abroad to the state of the markets at home; the controul of the servants employed in ascertaining that the articles procured are of a proper quality, and obtained at fair rates of cost; devising means for conveying these articles to England; providing for landing them and putting them in the warehouses; arranging the order of sales; and collecting and digesting the opinions of experienced buyers with the object of forming proper future provision for the trade.

THE

THE business of the Committee of Accounts is very extensive. This Committee has to examine whatever relates to bills of exchange, and certificates granted in India or China, at Aleppo, or in countries in any way connected with the trade; to compare advices with bills, &c. when presented for acceptance, and to examine the estimates and actual accounts of cash or of stock formed for the use of the Court of Directors, of the Lords of His Majesty's Treasury, and of Parliament. To this Committee is immediately subservient the Accountants Office, with its dependencies; and the Transfer Office, in which the foreign Letters of Attorney for the sale and transfer of the Company's stock and annuities, are investigated.

THE business allotted to the Committee of Buying, chiefly relates to the purchase of certain specified articles, of export, such are lead, woollens, &c. This Committee settles contracts with the dyers, appoints tradesmen, gives directions respecting cloth and long ells, which are brought in their white state, to pass through the process which fits them for the market. It gives orders for the examination of them in their white state, and after they are returned from the dyer, and for their being fine drawn, plained, pressed, and properly packed for shipping. This Committee has similar duties respecting the long ells; it directs that they be properly dyed, set, fine drawn, calendered, pressed, and packed up. It likewise issues orders for the different goods being sent on board the several ships, and audits the tradesmen's accounts.

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THE business assigned to the Committee of the House, (as the name implies) is very limited. It issues orders for the necessary repairs and alterations required at the India-house; it forms regulations for the attendance of the several officers and clerks; it appoints the inferior servants of the House, &c. and examines the Secretary's quarterly accounts of disbursements, tradesmen's bills, &c.

Third class
of regular or
standing
Committees.

THE third class comprehends the Committees of Shipping, of Government Troops and Stores, of Private Trade, and for preventing the growth of Private Trade.

To the Committee of Shipping, are assigned several perfectly distinct kinds of duties. This Committee has the purchase of the Company's exports in general; such are articles for the voyages, stores for the civil, the marine and military departments (the articles lead, woollens, and bullion excepted, with which the Committee of Buying are entrusted). It has to settle terms with the owners of freighted ships, and to examine the qualifications of the commanders and officers. It has the distribution of the outward cargoes, superintends the raising and allotting the recruits to be sent to India in each ship, fixing the passage money and provisions for them; examining and passing cadets and assistant surgeons for the army, and volunteers for the marine. It directs in the agreement for and payment of seamen's wages, outward and homeward. It superintends the regulation and allowance of private trade out-ward,

ward to the commanders and officers of the Company's ships. It authorizes indulgences for the export of wine, &c. to the Company's servants in India. It issues orders for building, repairing and fitting out the ships, packets, &c. of which the Company are proprietors; and it provides for the embarkation of His Majesty's troops, when ordered on service in the East-Indies. CHAP. III.

To the Committee of Government Troops and Stores, is assigned the duty of adjusting and liquidating the accounts with the offices of Government, respecting the supplies for victualling His Majesty's naval and land forces employed in the East-Indies; of examining and settling the claims of the King's officers on the Company, whether in their individual or in their public capacity (the allowances to naval officers, while serving in the East-Indies, excepted). That part of the correspondence, also, which respects such instructions as may appear necessary to be given by the Company to the King's forces serving in India, and the drawing up of answers to the addresses of these officers, is entrusted to this Committee.

To the Committee of Private Trade is allotted the duty of adjusting the accounts of freight of goods carried out on the Company's chartered ships, and of the demorage payable on their sailing from England; of examining the commanders on their arrival from their respective voyages, to ascertain whether they have complied with the orders and instructions given them by the Court of Direc-

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tors, and by the Company's servants abroad; of determining on the claims of the owners of chartered ships, in respect to the "earnings" of freight and demorage; adjusting the accounts between them and the Company, and ordering the payments to be made to them; of regulating the indulgences in private trade homeward;* of comparing the accounts of private trade home, with the quantities and species allowed and manifested, in order to discover, whether the established regulations have been complied with; and of considering and determining on the several applications which may be made on private trade, exceeding the allowances, or not duly manifested.

To the Committee for preventing the Growth of Private Trade, is assigned the duty of investigating and determining upon such business, as may arise in consequence of the orders and regulations for preventing the allowances of trade to commanders and officers of the Company's ships, being exceeded. The duties of this Committee are so interwoven with those of the Committee of Private Trade, that references have, of late, frequently been made to it, in which case this last Committee has examined and passed the accounts of the private trade of the commanders, and in most cases, has regulated the indulgences which come properly under the cognizance of the Committee for preventing the Growth of Private Trade.*

* From a statement of the business allotted to the several classes of Committees of the Court of Directors, officially transmitted to the Board of Commissioners for the Affairs of India.

AND TRADE IN THE EAST INDIES.

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THIS review of the manner in which the domestic administration of the Directors is portioned out among regular or standing Committees, furnishes a curious and interesting aspect of the progress of the Company's affairs, and leads directly to the improvements which have occurred on the subject to the Directors themselves.

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Soon after the institution of the Board of Commissioners, and the introduction of a new arrangement of business into the foreign Presidencies, some of the most intelligent of the Directors seem to have been of opinion, that it would be necessary to new model the whole of their home system of administration. The principle upon which all of the plans, suggested on this subject, proceeded was, that the Committees at home should correspond with the departments abroad. For this purpose it was proposed, that the whole of the Committees should be reduced to three. To the first was to be given the names of the Committee of Inspection of Civil and Revenue Affairs: To this Committee was to be assigned the duties of examining all accounts, such were those of the expenses attending the civil government of the different presidencies in India, those of the Company's revenues and charges, those of the collection and realization of them in England. A Committee, with the like powers, and under the same name, it was suggested, might be established at each of the presidencies of Bengal, Fort Saint George, and Bombay, the duties of which should be

PART II.

Improvements which have been suggested on the constitution of these regular Committees.

restricted

CHAP. III. restricted to the civil and revenue department, and to the correspondence with this Home Committee.

To the second it was proposed to give the name of the Committee of Inspection for Military Affairs, with the duties of attending to the Military Establishment, viz. to the number of troops, Native and European, required in each settlement, to the returns of the effective and non-effective branches of the army, whether in garrison or in the field; to the military charges in general, whether of troops, fortifications, or hospitals; and to the correspondence with a Committee of the same name, at each of the three settlements of Bengal, Madras, and Bombay.

To the third Committee, it was proposed, to give the name of the Committee of Inspection for Commercial Affairs, with the duties of superintending the Company's Trade in England, as well as in India, keeping an account of the quality and charges of the articles for the Europe investment, the increase or diminution of the several articles which compose it, whether in India or in China, the expenses of transportation of the goods to England, the sales at home and abroad, the improvement of manufactures in India, the purchase and management of the exports from England to all countries within the Company's limits, and the correspondence with a Committee of the same name, at each presidency.

THESE three Committees at home and abroad, it was proposed, should consist of five members, three of whom should be a quorum, to meet once a week, have a Secretary to keep minutes, as records, to have the power of instituting investigations into the actual state of the Company's interests at home, under the controul of the Directors, and abroad of instituting like investigation, in the presidencies, and to communicate all proceedings, from time to time, to the Directors; the minutes of these Committees, at home and abroad, were to lay thirty days before their immediate superiors for consideration and approbation, but the correspondence to be carried on between the foreign and the home Committees of these specified descriptions*.

WHEN this plan came to be deliberated on, a second was offered, as an improvement on it. In this it was proposed, that instead of abolishing the old Committees, the number of Directors composing them should be diminished, and the Committees formed into classes, among which the business, at present, entrusted to the standing Committees should be divided; this, it was thought, would be more coincident with the encreased nature of the Company's concerns†.

THESE plans had scarcely been compared, when it was proposed to abolish the subsisting arrangement of Committees and to introduce the following:

* This plan is dated the 23d March, 1785.

† This plan is dated the 5th of April, 1785.

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1st. A Political Committee, to consist of six Directors, and to be subdivided into two departments, one for Bengal, and one for Fort Saint George and Bombay. 2d. A Military Committee to consist of four Directors. 3d. A Committee of Shipping to consist of five. 4th. A Commercial Committee to consist of seven. The same duties were to be assigned to the three last, as in the preceding plan, but the duties of the Political Committee were upon this occasion more fully described, viz. Besides the management of whatever related to the civil government, revenues, and courts of justice, it was thought that to this Committee might be entrusted the management of whatever regarded the Company's proceedings with the native or European powers connected with each presidency. The difficulty of bringing forward any new arrangement in the India-House, seems to have been fully perceived. Each of the standing Committees have a certain degree of patronage annexed to them, which they would unwillingly relinquish. To remove this, it was proposed to divide the patronage among the Directors, according to seniority, giving the greatest portion of it to such of them, as were in the fourth year of their direction, a less degree to those who were in their third year, a still less to those in their second, and the least share to Directors in their first year. This measure, it was conceived, would call forth professional knowledge, by confining the Directors to the business for which they were best qualified, and yet would afford to each his merited degree of influence*.

This plan is dated the 11th April, 1785.

Not-

NOTWITHSTANDING these proposals, which reflect much honor on the capacity and zeal of individuals, the old arrangement has continued to the present time, with the single variation of the standing Committees having been reduced to the classes under which we have detailed their constitution and duties.

WHEN the Company's concerns began to assume the mixed aspects of commerce, and of revenue subservient to investment, it became difficult to assign to any of the standing Committees, either the political interferences with the Indian Princes, of whose sovereignties their foreign governments had become sharers or allies, or to manage the political connexion which the Company now necessarily had with the executive government. As early as the peace 1748, and while the political struggle, between the French and English on the Coromandel Coast, was obviously the harbinger of a war, a Secret Committee was appointed, and began to take an important lead in the Company's domestic and foreign affairs. We find a reference made to this Committee, in the project for extirpating the pirate Angria from the Malabar Coast*. As this war between England and France assumed a more serious aspect, the Secret Committee, besides its first character, was entrusted with the conduct of the Company's military and naval affairs; had the charge of providing for the safety of their chartered and trading ships, and authority to enter into such treaties and alliances

Origin and establishment of the Secret Committee.

* Minutes of Secret Committee, 2d March, 1754.

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with the Indian powers as might be thought requisite for the preservation and protection of the factories, or the districts depending on them*. These powers of the Secret Committee were renewed and enlarged during the whole course of this war†, extending now not only to the settlements on the Peninsula, but to their establishments making on the west coast of Sumatra, for the purpose of promoting commerce in that quarter of the Company's limits‡. While the arms of Britain were making rapid acquisitions, particularly towards the close of this war, the Secret Committee began to be invested with more specific powers, viz. those of conferring with the King's Ministers, on the proper and effectual plans for seconding the efforts of Government, in reducing the Manillas§; of soliciting the Admiralty for convoys to the Company's ships||, of opening such packets, as might be addressed to the Committee only, and communicating the contents to the Court of Directors, or not, as they might deem it prudent that the contents should be known; and of consulting with ministry on the measures for securing the Company's possessions and privileges of commerce, in the treaty of peace which now appeared to be approaching**. To this Secret Committee also, upon the same principle of

* Minute, 14th February, 1755.

† Minutes, 30th July, 1755; 14th April, 1756; 7th April, 1757; 5th April, 1758; 6th April, 1759; 3d April, 1760; and 10th April, 1761.

‡ Minute, 30th November, 1757.

§ Minute, 30th December, 1761.

|| Minute, 8th April, 1762

** Minutes, 29th July, 1761, and 21st July, 1762.

securing

securing to the Company their recent acquisitions, were confided the duty of soliciting the assistance of the executive power, to enable the Company to retain the possession of Masulipatam, as ceded by Salibet Jung †. Similar powers with these already referred to, of opening packets which might be addressed to them, and of laying such parts only of them before the Court of Directors, as it might be thought prudent to divulge, were renewed to this Committee for seventeen successive years ‡. During this period, however, instances occurred, in which the Directors wished to limit the Select Committee, at their several presidencies, in corresponding with the Secret Committee, and to confine the powers of the Secret Committee itself, to matters which required communications with the King's Ministers §.

As the late general war approached, the powers of the Secret Committee were, in a measure, limited to the Chairman and Deputy Chairman only ||, who were vested with the whole executive authority of the Company, that they might watch over the general safety of their dominions and trade.** From 1778, till the passing of the regulating act 1784, the Secret Committee alone communicated with the King's Ministers on the political interests of the Company. In the act of regulation 1784, it was declared to be

† Minutes, 22d September, 1762.

‡ Minutes for the month of April, from 1763 to 1780 inclusive.

§ Minutes, 8th May, 1764. 21st July, 1769. 28th Nov. 1770.

|| Ditto 7th December, 1770.

** Minutes, 27th March, and 9th April, 1778. 23d June, 1779. 31st May, 1780.

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a fixed part of the domestic establishment of the Company, and that it should be lawful for the Court of Directors
 “ from time to time, to appoint a Secret Committee, to
 “ consist of any number of the said Directors for the time
 “ being, not exceeding three, which Secret Committee
 “ shall, from time to time, upon the receipt of any such
 “ secret orders and instructions concerning the levying of
 “ war, or making of peace, or treating or negotiating with
 “ any of the native Princes or States of India, from the
 “ Commissioners for the affairs of India, as are herein-
 “ before mentioned, transmit to the respective govern-
 “ ments and presidencies in India, a duplicate or duplicates
 “ of such orders and instructions, together with orders in
 “ writing, signed by them the members of the said Secret
 “ Committee, to carry the same into execution; and to all
 “ such orders and instructions so transmitted, the several
 “ governments and presidencies in India are hereby required
 “ to pay the same obedience as if such orders and directions
 “ had been issued and transmitted by the Court of Di-
 “ rectors of the said United Company.”

Of the Com-
 mittee of Se-
 crecy.

ALMOST in name, and in some degree in business ap-
 proaching to this Committee, is that of Secrecy. The duties
 assigned to it, are those of soliciting the Admiralty, in the
 name of the Directors, when war is approaching or carrying
 on, for convoys to the Company's ships; of devising and
 taking such precautions as this Committee may deem ne-
 cessary for their safety; such are ordering signals, opening
 all packets that may be addressed to them individually, or

is a Committee, and of laying before the Court, such part only of the contents as it may be prudent to divulge. CHAP. III

SUCH is the domestic government of the East-India Company. The question with the Legislature upon this subject will of course be, whether they will think it necessary to confirm the present administration of Directors and Committees, or whether they will vest the Directors and Proprietors with powers, to form one for the Company, suited to the magnitude of their business, and calculated to render the home administration in unison with the departments abroad.

HAVING thus sketched out the progress of the domestic government of the Company, the following suggestions, upon renewing their exclusive privilege, are submitted to consideration.

FIRST. It is suggested, that the proprietary stock shall be encreased £.1,000,000, upon the principle pointed out, where treating of the financial power, to enable the Company to liquidate their debt, but that the constitution of the capital stock, transfers, &c. shall continue on the present system, subject to the regulation of the Directors, and to such encrease as Parliament may judge, from time to time, to be expedient. That the qualification for a Proprietor to vote shall continue at £.1000 capital stock, and the qualification to be elected a Director at £.2000 capital stock, and that before such vote can be given, or such election

1st. Suggestion, respects the capital stock and the qualification to vote, and to be elected into the Direction.

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become legal, the holder shall have been possessed of his stock for one year ; though each Proprietor of £.500 stock should, as at present, be entitled, from the time of his making the purchase, to give his opinions and advice upon matters regarding the Company's interests, all which he may chuse to bring, or that may be brought before the Court of Proprietors. That the oath which specifies that the stock is the Proprietor, has been held by him for twelve calendar months, and not in trust for another, or collusively obtained, shall continue to be administered to the Proprietors and Directors in its present form.

2d. Suggestion, respects the Court of Proprietors.

SECOND. It is suggested, that the Courts of Proprietors shall, as at present, be held quarterly ; and that it shall remain in the power of nine Proprietors to apply to the Court of Directors, to summon, on extraordinary occasions, a meeting of the Proprietors, the business to be laid before them being specified to the Court, and expressed in the summons transmitted or published for their meeting.

3d. Suggestion, respects the Court of Directors.

THIRD. It is suggested, that the Court of Directors shall consist, as at present, of twenty-four ; but that it may be left to the Proprietors and Directors, with consent of the controuling power, to diminish that number, if it shall appear that such diminution would tend to simplify and facilitate the administration of the Company's affairs.

UPON this subject a variety of opinions have, from time to time, been entertained. On the one hand, it has been thought, that

that by lessening the number of Directors to twelve or even to nine, and by dividing the business among them, with power to report their proceedings to the Court, a greater degree of dispatch and responsibility could be ensured, than has been experienced when the business is referred to Committees. On the other hand, it has been said, that the magnitude of the Company's concerns entrusted to the Committees, affords a sufficient charge to each of the Members of them, and that if the great branches of the business were entrusted to one or to two Directors only, with the Chairman and Deputy Chairman, the whole would soon pass into the hands of the officers of the Court, instead of going through those of the Directors. That thus the lessening the number of the Directors, instead of encreasing the responsibility, would, in fact, introduce an administration which, from its nature, would render such responsibility of no avail. A subject of this kind can only be judged of from experience; and although, perhaps, some diminution might be expedient, it is difficult to say what that diminution ought to be. It may be proper, however, that the Directors, of whatever numbers they may consist, should have such salaries as may be a compensation to them, for the time which they give to the discharge of their duties to the Proprietors.

FOURTH. It is suggested that the business of the Court of Directors should, as at present, be divided among separate Committees; and that this division, as well as the portion of the business to be allotted to each Committee, may take

Fourth suggestion, respects the powers of the Directors to appoint Committees.

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place, without any clause in an act of Parliament, and by an internal regulation of the Court, with the approbation of the Court of Proprietors.

UPON this subject it may be observed, that the present plan of Standing Committees does not correspond with the arrangements introduced in the foreign settlements, and that it would simplify the whole of the administration of the Court of Directors, if the Committees were formed upon such a plan, that to one might be assigned the duty of preparing the correspondence for the foreign Boards of Council; to another that for the Military Boards; to a third that for the Boards of Trade; and to a fourth that for the Boards of Revenue, leaving to each of these Committees the power of forming themselves into classes, assigning to each, particular branches of the business, and keeping the minutes of each as a distinct record, to be sanctioned by the Directors.

Fifth suggestion, respects the executive powers entrusted to the Secret Committee.

FIFTH. It is suggested that the political branch of the business, whether regarding transactions with the native Princes, or with the superiors of the settlements or with factories of European states having territories in India, or trade to the East-Indies, shall pass immediately through the Secret Committee (consisting of the Chairman and Deputy Chairman only) to the Board of Commissioners for the Affairs of India; that this Committee shall form a part of the domestic government of the Company, as defined and authorized in the Regulating Act 1784, but with such modifications and under such restrictions, as shall positively ensure

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ensure secrecy in all political matters regarding either the interests of the Company or of the Empire; that is to say, that this Committee, instead of being annually selected from among the Directors, shall consist of the Chairman and Deputy Chairman only, acting as such Committee officially; that the Chairman and Deputy Chairman shall immediately after being elected to these offices, and as constituting the Secret Committee, take the oath of secrecy to the Court of Directors; that they shall forthwith communicate whatever dispatches they may receive from the different presidencies abroad, to the Commissioners for the Affairs of India; that, upon the receipt of orders or instructions from the Board, upon the political interests of the Company or of the state, (viz. levying of war or making of peace, treating or negotiating with any of the native states of India) they shall send a transcript of them signed, and afterwards a duplicate or duplicates, in writing, to the respective governments and presidencies abroad, enjoining them to carry such orders into immediate effect; that the Presidents and Councils, in India, and superiors of residencies or factories, shall pay the same obedience to the orders of the Secret Committee, as if these orders had been transmitted to them by the Court of Directors; that the orders so given and sent to the Secret Committee by the Commissioners for the Affairs of India, shall be transmitted to the respective presidencies without delay, in the manner the Committee shall deem the most safe and expeditious, within a time to be specified by the Board; that this Committee shall communicate only such parts of the orders authorized by the India Board to the

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Court

CHAP. III. Court of Directors, as may be pointed out and allowed by the Board, for the purpose of giving consistency to the whole of the political and commercial transactions of the Company.

UPON this branch of the domestic government of Indian affairs, the opinions of those who are most conversant with them have differed more widely, than upon any other subject.

ON the one hand 't has been said, it is possible, notwithstanding the precautions taken by the Board and by the Committee, that the measures of government may transpire, from their passing through different hands; that such discoveries would obviously be prejudicial to the interests of the Company and of the State; that, therefore, it would be for the general interests, if the communications upon all matters of a political kind, were to be made direct between the executive government and the presidencies abroad; and that this change would not be contrary to the spirit of the act 1784, by which the Secret Committee receive the orders of the Commissioners, who are alone responsible for these orders. In support of this opinion, it has been argued, that if the appointment of the Presidents and Councils, as well as the power of recalling them, had been in the King, the responsibility of the executive government would have been more defined; that this would have been no innovation upon the present

present mode of administering Indian affairs, in substance, but only in form, since the functions of the Secret Committee have not, under the present system, been deliberative but official; that the responsibility of the Commissioners would, by this trust, become direct and guarded; direct, because it would bring the dispatches from India immediately to the Board, or carry dispatches from it to the Governors, Councils and Commanders who are to execute these orders; guarded, because it would prevent the orders passing through a number of hands at the India House and at Whitehall, where, it is possible, the objects of a dispatch might be discovered by a foreign rival of the Company or of the nation.

ON the other hand, it has been thought, upon a review of the relation subsisting between the commerce, the revenues, and the political interests of the Company, that the continuance of the Secret Committee is required to give consistency to the whole of the Company's transactions. If the management of the commerce and of the revenues is to be left with the Directors, and yet the business of the Secret Committee to be wholly in the executive power, the plans which the Directors might adopt for trade, might not accord with the political or coercive measures deemed expedient by the State, and thus a discordancy in the administration of Indian affairs, might arise, at a time when all the parts of them ought to meet, in carrying into effect the instructions given for the preservation or prosperity of

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the Indian provinces and trade. Reflect, that the continuance of the Secret Committee is an indulgence due to the Proprietors, whose confidence in the management of their interests must, in the first instance, be placed in their own Directors; and, in the next, increased by the check established over their proceedings by a responsible executive power.

ON a subject of this delicate nature, where the interests of the Public and the Company hold the balance in a kind of equipoise, for or against the continuance of the Secret Committee, it is for the wisdom of Parliament to decide, by examining how far the proposition submitted to them seems to be calculated to remove the objections against the Secret Committee; and yet to continue the present system without the inconveniences which have been apprehended, from totally disjoining the political from the commercial administration of Indian affairs.

Sixth suggestion, respects the appointment of writers by the Directors, and the line of promotion in the Civil department.

SIXTH. It has, when treating of the foreign governments, been suggested, that the writers for the different settlements shall remain solely in the appointment of the Court of Directors. It is here only, as a part of the domestic government, farther to be suggested, that the present restrictions should continue; that is, the persons named must have attained the age of 16, and not have passed that of 22; that upon their arrival in India, they shall be entitled only to a promotion that is gradual; that is, the writers are to be employed in subordinate duties only, to have

